FRANCHISE DISCLOSURE DOCUMENT

BUBBAKOO'S FRANCHISE SYSTEMS, LLC
A Delaware Limited Liability Company
1670 Route 34 North, Suite 1C
Wall, New Jersey 07727
Phone: (732) 475-6644
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franchise@bubbakoos.com
www.bubbakoos.com

We offer qualified individuals and entities a franchise for the right to independently own and operate a quick casual restaurant featuring burritos, tacos, quesadillas, nachos, taco salads and "Chiwawas", as well as other specialty items, sides, desserts and beverages we authorize, utilizing (a) the system of operations we have developed for the operation of this kind of restaurant business, and (b) our then-current proprietary marks, which currently includes our principal mark BUBBAKOO'S BURRITOS (collectively, each a "Franchised Business" or "Restaurant"). We also offer qualified parties the right to own and operate multiple Restaurants within a development area that we designate.

The estimated total investment necessary to begin operation of a single Franchised Business is $356,000 to $757,000. This includes $35,000 to $40,000 that must be paid to the franchisor or its affiliate(s).

Franchisor may also offer qualified individuals that already own an independent restaurant that is already open and operating the right to convert their existing business into a System Restaurant operating under our proprietary marks, provided that individual and their current restaurant operations meet our then-current conversion criteria. The total investment necessary to convert an existing restaurant that meets our conversion criteria into a System Franchised Business is $233,000 to $507,000. This includes $28,000 to $33,000 that must be paid to the franchisor or its affiliate(s).

The total investment necessary to operate multiple Franchised Businesses under our form of area development agreement depends on the number of franchises we grant you the right to open. The total investment necessary to enter into a development agreement for the right to develop three (3) Franchised Businesses is $376,000 to $777,000, including (a) $55,000 that must be paid to us upon signing of your development agreement, and (b) the estimated initial investment associated with opening and commencing operations of the initial Franchised Business you are awarded the right to develop.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Christopher Ives at 1670 Route 34 North, Suite 1C, Wall, New Jersey 07727 or at telephone number (732) 475-6644.

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

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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-FTCHELP 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.

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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 Exhibits I and J.
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 E 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 Bubbakoos 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 franchise 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 Bubbakoo's franchisee?	Item 20 or Exhibits J and K list 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.

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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 that franchise or has verified the information in this document. To find out if your state has a registration requirements, 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.

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Special Risks to Consider About *This* Franchise

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

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

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

3. **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 our spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

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

NOTICE REQUIRED BY
STATE OF MICHIGAN

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

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

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

(b) A requirement that the 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 terms 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 six (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 or under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that mediation or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of mediation, to conduct mediating 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 there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

Any questions regarding this notice should be directed to the Michigan Attorney General's Office, Consumer Protection Division, G. Mennen Williams Building, 525 West Ottawa Street, Lansing, Michigan 48933, telephone (517) 335-7567

THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.

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

To simplify the language of this Disclosure Document, Bubbakoo's Franchise Systems, LLC (the "Franchisor") is sometimes referred to in this Disclosure Document as "we," "us" or "our." We refer to the person interested in buying the franchise as "franchisee," "you" or "your." If you are a corporation, partnership, limited liability company or other business entity, the terms "franchisee," "you" and "your" also refer to your owners.

The Franchisor

We were originally organized under the laws of New Jersey as a limited liability company on August 26, 2014. On June 13, 2025, we converted to a Delaware limited liability company. Our principal business address is 1670 Route 34 North, Suite 1C, Wall, New Jersey 07727, and our telephone number is (732) 475-6644. We only do business under our corporate name and our then-current proprietary marks, which includes our principal mark BUBBAKOO'S BURRITOS®.

We grant qualified parties a franchise for the right to independently own and operate a Franchised Business that is a quick casual restaurant business with a menu featuring burritos, tacos, quesadillas, nachos, taco salads and "Chiwawas," as well as other specialty items, sides, desserts and beverages that we authorize. Each Franchised Business operates utilizing (a) the then-current proprietary marks, as well as any other names, logos, trade dress and other indicia of source, that we designate in the Manuals or otherwise in writing now or in the future (collectively, the "Proprietary Marks"), and (b) the business system of operations that we and our principals have developed in connection with the establishment and ongoing operation of a franchised Restaurant (the "System").

We first began offering franchises for the right to operate a Franchised Business in February 2015.

We have not operated any businesses that are similar to the Franchised Business. We do not offer or sell franchises in any other line of business and, except as described in this Item, we are not otherwise engaged in any other business activity.

Our agents for service of process are listed in Exhibit A to this Disclosure Document.

Predecessor(s), Parent(s) and Affiliate(s)

On June 17, 2025, an investment fund managed by Thompson Street Capital Partners ("TSCP") acquired a controlling interest in us and our affiliates. Through this transaction, our direct parent company became Rocket Group Holdings, LLC ("Holdings"), a Delaware limited liability company formed on June 10, 2025. Both TSCP and Holdings have a principal business address of 7676 Forsyth Boulevard, Suite 2700, St. Louis, Missouri 63105. Neither TSCP, Holdings, nor any of TSCP's managed investment funds have ever conducted a business of the type being offered by this Disclosure Document.

An investment fund managed by TSCP has been the owner of another franchisor, Freddy's, LLC ("Freddy's") and its affiliates since March 2021. Freddy's principal business address is 2030 N. Cypress Street, Suite 200, Wichita, Kansas 67226. Freddy's franchises restaurants that feature the retail sale of steakburgers, hot dogs and frozen custard under the name and mark Freddy's Frozen Custard & Steakburgers®. Freddy's was organized in 2003 and has offered Freddy's franchises since its formation. As of the date of this Disclosure Document, there were approximately 524 franchised Freddy's Frozen Custard & Steakburgers® operating in the United States. Except for the Freddy's Frozen Custard &

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Steakburgers® franchise system, neither TSCP nor any of its affiliated portfolio companies have offered or sold franchises in any other line of business.

We also have the following affiliates (each, an "Affiliate"):

1. PBKK Enterprises, LLC, which converted to a Delaware limited liability company on June 16, 2025, was originally organized as a New Jersey corporation in January 2011 ("PBKK"). PBKK has a principal place of business at 1670 Route 34 North, Suite 1C, Wall, New Jersey 07727. PBKK opened and commenced operations of its initial Restaurant under the Proprietary Marks in Point Pleasant, New Jersey in June 2008 (this location was originally owned by PBK Enterprises LLC, which is now dissolved). PBKK operates multiple Restaurants in various locations along the New Jersey shore.

2. Altero & Hart, LLC, which converted to a Delaware limited liability company on June 13, 2025, was originally formed as a New Jersey limited liability company in August 2013. This Affiliate has the same principal place of business as PBKK, and has operated a Restaurant under the Proprietary Marks since December 2013 in Jackson, New Jersey.

3. Hart & Altero, LLC, which converted to a Delaware limited liability company on June 13, 2025, was originally formed as a New Jersey limited liability company on July 31, 2012. This Affiliate has same principal business address as PBKK, and has operated a Restaurant under the Proprietary Marks in Bayville, New Jersey since November 2012.

4. Bubbakoo's Manahawkin, LLC, which converted to a Delaware limited liability company on June 13, 2025, was originally formed as a New Jersey limited liability company. This Affiliate has the same principal business address as PBKK, and began operating a Restaurant in 2019 under the Proprietary Marks in Manahawkin, New Jersey.

5. Bubbakoo's Neptune LLC, which converted to a Delaware limited liability company on June 13, 2025, was originally formed as a New Jersey limited liability company. This Affiliate has the same principal business address as PBKK, and began operating a Restaurant in 2020 under the Proprietary Marks in Neptune, New Jersey.

6. Bubbakoo's Shrewsbury LLC, which converted to a Delaware limited liability company on June 13, 2025, was originally formed as a New Jersey limited liability company. This Affiliate has the same principal business address as PBKK, and began operating a Restaurant in 2020 under the Proprietary Marks in Shrewsbury, New Jersey.

7. Bubbakoo's Orlando, LLC, which converted to a Delaware limited liability company on June 13, 2025, was originally formed as a Florida limited liability company. This Affiliate has the same principal address at 1810 Glass House Road, Orlando, Florida 32836, and opened a Restaurant in Orlando, Florida during the 2022 calendar year.

The above affiliates: (i) only do business under their respective corporate names and the Proprietary Marks; (ii) do not offer franchises in any line of business; and (iii) except as described in this Item, are not otherwise engaged in any other type of business activity.

PBKK is the registered owner of our Proprietary Mark(s) and has granted us a license to use this mark and all other Proprietary Marks in the offering and granting of Franchised Businesses as part of our franchise system, as disclosed more fully in Item 12 of this Disclosure Document.

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The Franchised Business

Your Franchised Business will be a quick casual restaurant that offers and serves a menu comprised primarily of Mexican-inspired cuisine, including burritos, tacos, quesadillas, nachos, taco salads and "Chiwawas", along with any other menu/specialty items, sides, desserts and beverages that we authorize (collectively, the "Approved Products"), to customers in a clean, healthy and friendly environment.

We may update, supplement or otherwise modify the Approved Products that your Franchised Business may or must provide.

Your Franchised Business will be operated utilizing our Proprietary Marks and in accordance with our System. The System is comprised of: (a) the information, trade secrets, and methods associated with the establishment and operation of a Restaurant, including our proprietary recipes associated with the Approved Products; (b) confidential Operations Manual and other proprietary manuals we may loan to you (collectively, the "Manuals"); (c) proprietary initial training program and ongoing training, as well as related instructional materials; (d) certain standards and specifications associated with the establishment and ongoing operation of your Franchised Business, including any plans regarding the prototypical design, layout and build-out of a Restaurant; (e) methods associated with marketing and sales programs, fixture and furniture selection, staffing guidelines and other research and development connected with the establishment and operation of a Restaurant; and (f) established relationships with certain vendors/supplier that might be used in connection with the development/operation of a Restaurant. We may modify the System from time to time as we deem appropriate or necessary in our discretion.

Your Franchised Business must be operated from a location that we approve (the "Premises"). The Premises of a Franchised Business will typically have approximately 1,500 to 2,000 square feet of leased or owned space (with at least 25 feet of store frontage) and be located in regional shopping centers or other commercial business areas. You must offer (and only offer) the Approved Products that we authorize at the Premises of your Franchised Business.

In the event we develop a catering program, we may authorize you to provide off-Premises catering services within your Designated Territory (defined below), provided you have operated your Franchised Business without material default for a period of time we designate, attend any additional training we require in connection with providing such services, and comply with the System standards and specifications we develop regarding the provision of such services. We reserve the right to require you to purchase and install a vehicle wrap approved by us for any vehicle to be used in connection with the catering services, but this is not part of our standard offering at this time.

In order to own and operate a Franchised Business, you must enter into our current form of franchise agreement that is attached as Exhibit B to this Disclosure Document (the "Franchise Agreement"). If the franchisee is a business entity (for example, a corporation, partnership, or limited liability company), then all of the individuals that have any type of ownership interest in the franchisee entity, as well as their spouses (at our discretion), must sign the form of personal guaranty attached as an Exhibit to the Franchise Agreement (the "Personal Guaranty"). The individuals that sign the Personal Guaranty agree to be personally bound by, and personally guarantee, the franchisee entity's obligations under the Franchise Agreement. If the franchisee is an individual, then the franchisee's spouse must also sign the Franchise Agreement (or, in the alternative, the Personal Guaranty).

Once we agree on the location of your Franchised Business (the "Premises"), we will designate a geographical area around the Premises where we will not own or operate or license a third party the right to own or operate, a Restaurant that utilizes the Proprietary Marks and System (your "Designated

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Territory"). Once the parties have agreed on the Premises and Designated Territory associated with your Franchised Business, these terms will be defined in the data sheet attached as Exhibit A to your Franchise Agreement (the "Data Sheet").

Multi-Unit Offering

We also offer qualified individuals and entities the right to open and operate multiple Franchised Businesses within a designated geographical area (the "Development Area") under our current form of area development agreement that is attached to this Disclosure Document as Exhibit C (the "Development Agreement"), which will also outline a schedule or defined period of time in which you must open and commence operating each Franchised Business (a "Development Schedule"). Failure to comply with the Development Schedule is grounds for immediate termination of the Development Agreement.

At our option, you will be required to sign a Franchise Agreement for your initial Franchised Business at the same time you sign your Development Agreement, and you will eventually need to sign our then-current form of franchise agreement for each of the Franchised Businesses you open under the Development Schedule that is different from the form of franchise agreement in this offering.

Conversion Offering and Addendum

If you already own an independent restaurant location that meets our then-current conversion criteria (the "Conversion Criteria"), we may permit you to enter into our then-current Franchise Agreement and conversion addendum (the "Conversion Addendum") for the right to convert your existing restaurant operations into a Franchised Business that utilizes the Proprietary Marks and System moving forward. The Conversion Addendum is attached to this Disclosure Document as Exhibit D.

The Conversion Criteria may be supplemented or otherwise modified by us at any time and currently includes, but is not limited to, the following: (i) you must have owned and operated your existing restaurant for a period of at least two (2) years; (ii) minimum square footage requirements; (iii) minimum average Gross Sales over the past two (2) years of operations; (iv) possession of all required licenses, permits and approval that might be necessary to operate as a Franchised Business moving forward; and (v) compliance with our then-current System standards and requirements, including those associated with equipment (including computer hardware) and insurance.

If we award you the right to convert your existing restaurant operations to a Franchise Business, you will be required to take certain actions to effectuate such a conversion, including without limitation, purchasing/replacing certain signage and décor items at the Premises, obtaining equipment necessary to meet our System standards and prepare/serve the Approved Products, and expending certain amounts to promote and advertise the grand re-opening of your existing business operations as a System Franchised Business – all before you can "re-open" and commence operations pursuant to your Franchise Agreement with us.

Market and Competition

Your Restaurant will offer and sell the Approved Products to the general public, and such sales are not seasonal in nature. The Restaurant will compete primarily with local quick casual restaurants and other regional, national, and international chains offering similar menu items as a Franchised Business, as well as other fast food and sit-down restaurants. The quick casual restaurant industry is mature and highly competitive. Your competitive advantage in the marketplace will be based on your adherence to our standards and guidelines, as well as your entrepreneurial and managerial abilities and focus on customer

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service.

Industry-Specific Regulations

Your Restaurant will be subject to laws and regulations in your state, county, or municipality regarding the operation of a restaurant generally, including but not limited to laws and regulations relating to the preparation and dispensation of food products such as the Approved Products, as well as occupational hazards and health laws, sanitation laws, and consumer protection laws.

You will also be subject to laws or regulations that are not specific to the restaurant industry, but applicable to businesses in general, including zoning laws, labor laws and the Fair Labor Standards Act, workers' compensation laws, business licensing laws, tax regulations, and the Americans with Disabilities Act.

We have not investigated the laws or regulations applicable to your Restaurant. You are solely responsible for investigating and adhering to all applicable federal, state, and local laws and regulations, and your cost to comply with such laws and regulations, and you should do so before purchasing a franchise from us. We strongly suggest that you consult with an attorney, consultant and/or financial advisor regarding such regulations prior to purchasing a franchise from us. Applicable laws and regulations are subject to change.

Please be advised that you must investigate and comply with all of these applicable laws and regulations. You alone are responsible for complying with all applicable laws and regulations, despite any advice or information that we may give you. We have not researched any of these laws to determine their applicability to your Franchised Business.

ITEM 2
BUSINESS EXPERIENCE

Joseph St. Geme: President, Secretary and Director

Joe has served as our President, Secretary and a member of our Board of Directors since June 2025. Since March 2020, Joe has served as a member of Freddy's Board of Directors, and since July 2017, Joe has served as a Director of TSCP in St. Louis, Missouri.

John Clifton: Treasurer and Director

John has served as our Treasurer and a member of our Board of Directors since June 2025. Since October 2016, John has served as a Director of TSCP in St. Louis, Missouri.

Chris Dull: Director

Chris has served on our Board of Directors since June 2025. Since May 2021, Mr. Dull has served as Chief Executive Officer and President of Freddy's in Wichita, Kansas.

Christopher Ives: Chief Executive Officer

Chris has served as our Chief Executive Officer since June 2025 and is located in Wall, New Jersey. From January 2022 to June 2025, Chris served as our Chief Financial Officer. From June 2020 to December 2021, Chris served as our Vice President of Finance and Development. From November 2019 to June 2020, Chris served as our Vice President of Finance.

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Austin LeFevre: Chief Financial Officer

Austin has served as our Chief Financial Officer since July 2025 and is located in Davidson, North Carolina. From December 2023 to July 2025, Austin was Director of International Finance at Krispy Kreme Doughnut Corporation, and from December 2021 to November 2023, he was Senior Finance Manager, Financial Planning and Analysis, for Krispy Kreme Doughnut Corporation, and was located in Charlotte, North Carolina. From February 2020 to December 2021, Austin served as Finance Manager for Lowe's Companies, Inc., located in Mooresville, North Carolina,

Gus DiGiovanni: Senior Vice President of Operations

Gus has served as our Senior Vice President of Operations since March 2019 in Wall, New Jersey.

Ron Bidnoist: Senior Vice President of Construction

Ron has served as our Senior Vice President of Construction since March 2019 in Wall, New Jersey.

Mark Chan: Vice President

Mark has served as our Vice President since June 2025. Mark also has served as Vice President of Capital Markets for TSCP in St. Louis, Missouri, since April 2022. From September 2021 to March 2022, Mark served as Vice President at H.I.G. Whitehorse, and from September 2019 to September 2021, he served as AVP at H.I.G. Whitehorse, located in Miami, Florida.

Alex Jano: Vice President of Marketing

Alex has serviced as our Vice President of Marketing since September 2025 in Wall, New Jersey. From September 2022 to August 2025, Alex served as the Marketing Manager for Burger King in Miami, Florida, and from January 2019 to August 2022, she served as a Franchise Marketing Consultant for Domino's Pizza in Ann Arbor, Michigan.

Kevin Olivio: Director of Training

Kevin has served as our Director of Training since January 2023 in Wall, New Jersey. From January 2019 to December 2022, Kevin served as our Training Manager.

Jill Heck: Director of Operations

Jill has served as our Director of Operations since July 2023 in Wall, New Jersey. From July 2022 to July 2023, Jill was Operations Consultant for Duck Donuts in Mechanicsburg, Pennsylvania. From May 2021 to May 2023, Jill was Onboarding Manager for WOWorks, LLC in Philadelphia, Pennsylvania. From December 2018 to May 2021, Jill was the Training Manager for Saladworks, LLC in Conshohocken, Pennsylvania.

Kevin Lawlor: Director of Purchasing

Kevin has served as our Director of Purchasing since July 2022 in Wall, New Jersey. From June 2019 to June 2022, Kevin was an Operational Specialist for Waypoint in Forked River, New Jersey.

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ITEM 3
LITIGATION

No litigation must be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy information must be disclosed in this Item.

ITEM 5
INITIAL FEES

Franchise Agreement:

Initial Franchise Fee

You must pay us an initial franchise fee amounting to $35,000 (the "Initial Franchise Fee") immediately upon execution of your Franchise Agreement, which will be deemed fully earned and non-refundable upon payment. Except as provided for in this Item, the Initial Franchise Fee is uniformly imposed.

Conversion Restaurant

If you operate an existing restaurant that meets our then-current Conversion Criteria and we grant you the right to convert that existing business into a Franchised Business, you must pay us a reduced Initial Franchise Fee amounting to $28,000 immediately upon execution of your Franchise Agreement. This reduced Initial Franchise Fee will also be deemed fully earned and non-refundable upon payment, and will be uniformly imposed on conversion franchisees.

Veteran Discount

If you are an honorably discharged veteran who meets our qualifications for purchasing a franchise, we will discount your Initial Franchise Fee in connection with the first franchise you are awarded by an amount equal to fifteen percent (15%) of the Initial Franchise Fee. This reduced Initial Franchise Fee must be paid immediately upon execution of your Franchise Agreement.

Grand Opening Advertising Requirement

You must spend $5,000 on advertising campaign designed to promote the grand opening of your Franchised Business, which must be expended in the period of time beginning thirty (30) days before the contemplated opening of your Franchised Business and ending sixty (60) days after your opening (the "Grand Opening Advertising Requirement"). If we do not approve of your proposed campaign within the timelines described in the Franchise Agreement (and Item 11 of this Disclosure Document), we have the right to collect your Grand Opening Advertising Requirement and implement an advertising campaign on your behalf (as we deem appropriate). The amounts we collect in connection with your Grand Opening Advertising Requirement will be deemed fully earned and non-refundable upon payment.

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Development Agreement

If we grant you the right to open multiple Franchised Businesses under a Development Agreement, you must pay us a development fee that is based on the number of franchises we grant you the right to open within your Development Area (the "Development Fee").

Initial Development Fee

The initial portion of the Development Fee (which we refer to as your "Initial Development Fee") is due upon execution of your Development Agreement and is calculated as follows: (i) $35,000 for the Initial Franchised Business that we will grant you the right to open and operate under the Development Agreement, plus (ii) $10,000 for each Additional Franchised Business that you are granted the right to open under the Development Agreement.

Subsequent Development Payments

You will be required to enter into our then-current form of franchise agreement for each Franchised Business you wish to open under your Development Agreement.

You will only be required, however, to pay a subsequent portion of the Initial Development Fee amounting to $10,000 in connection with each additional Franchised Business (each, an "Additional Franchised Business") we grant you the right to open within your Development Area (the "Subsequent Development Payment") at the earlier of 10 days from the date you sign a lease for that Additional Franchised Business, or the date you sign a Franchise Agreement for that Additional Franchised Business.

You will not be required to pay us an Initial Franchise Fee in connection with any Franchised Business we grant you the right to open as part of your Development Agreement, but the Initial Development Fee and Subsequent Development Payments must be timely paid as described in this Item. Both the Initial Development Fee and Subsequent Development Payments are deemed fully earned and non-refundable upon execution of your Development Agreement.

Except as otherwise disclosed in this Item, and as have been and may be modified in the exercise of our business judgement (in favor of a franchisee), all fees described herein are calculated and imposed uniformly on franchisees.

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ITEM 6
OTHER FEES

TYPE OF FEE[(1)]	AMOUNT	DUE DATE	REMARKS
Royalty	6% of Gross Sales generated by your Franchised Business (the "Royalty Fee") over the prior reporting period	Weekly via EFT. Currently due on Tuesday for Gross Sales generated during the prior week.	Your Royalty Fee will begin once your Franchised Business opens. Please note that "EFT" means Electronic Funds Transfer program. See Notes 1, 2 and 3.
Brand Fund Contribution	Up to 2% of Gross Sales generated by your Franchised Business (the "Fund Contribution"). Currently, we expect and intend to collect Fund Contributions equal to 2% of Gross Sales	Weekly via EFT. Currently due on Tuesday for Gross Sales generated during the prior week.	We have established a brand fund to promote, market and otherwise develop our brand, Proprietary Marks, System and/or Approved Products (the "Fund"), and we expect to collect your Fund Contribution at the same time and in the same manner as we collect your Royalty Fee. See Notes 1, 2, 3 and 4.
Local Advertising Requirement	Minimum expenditures amounting to 1% of the Gross Sales generated by your Franchised Business	Must be expended monthly	All advertising materials must be approved by us prior to use/publication. We may require you to provide us with monthly reports detailing your local advertising expenditures.
Technology Fee	Then-current fee charged by us or our Approved Supplier for certain technology-related services, which we currently estimate to be around $100 to $300 per month, and will not exceed $400 per month	Monthly	You will be required to pay us or third-party vendors (some of which we may designated as "Approved Suppliers" as described more fully in Item 8) in connection with certain technology services necessary to operate your Franchised Business, including without limitation, costs associated with the development and hosting of our website that promotes our brand and the contact information of your Franchised Business, mobile app services associated with the BUBBAKOO'S BURRITOS brand and System (for food ordering) and mobile thermal printer rental, possible social media accounts designed to promote the brand and/or your Franchised Business, and, if and when established, a website portal and/or intranet for use by you and other System franchisees. We expect and intend to start charging the Technology Fee at the earlier of the date you actually open, and the date you are required to open, your Franchised Business.
Loyalty Fee	The then-current Loyalty Fee charged by our third-party provider, which is currently $150 per month, and will not exceed $250 per month	Monthly	You must use our then-current provider for our guest engagement loyalty platform. You will be required to pay us or third-party vendors in connection with the service.
Software Fees	Then-current software licensing fee charged by the Approved Supplier	As incurred	We reserve the right to require you to use the software provided by an Approved Supplier for inventory tracking, sales tracking, as well as other functions of

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TYPE OF FEE[(1)]	AMOUNT	DUE DATE	REMARKS
	for the POS System used in connection with your Franchised Business		your point of sale (POS) system. If established, you will be required to pay the then-current licensing fee charged by our Approved Supplier.
Initial Training	Expenses, including travel, lodging and wages	As incurred	We will provide our Initial Training Program for up to two (2) individuals tuition-free, but you will be required to pay for all expenses incurred in attending the Initial Training Program, such as travel, lodging and salary for your employee. We also reserve the right to charge our then-current initial training fee (the "Initial Training Fee"), which is currently $250/day, for each additional trainee that attends our Initial Training Program.
Additional/ Refresher Training	$250/day per trainee, plus expenses	As incurred	You and any individual you designate to manage the day-to-day operations of your Franchised Business (a "Designated Manager"), if any, may be required to attend annual refresher training for up to five (5) days each year.
Additional On-Site Opening Assistance	Salaries and expenses of our representatives if assistance is provided for more than seven (7) days	Only as needed	We will provide seven (7) days of on-site assistance once you open your store at no cost to you. If we decide, in our sole discretion, that you require additional assistance, you will be required to cover the salaries and expenses of our representatives in providing the additional assistance.
Transfer Fee Franchise Agreement and Development Agreement)	FA: $10,000 ADA: $10,000 per undeveloped franchise assigned	Prior to our approval of the Transfer	There are other conditions that you and the proposed transferee must meet in order for us to approve any proposed transfer/assignment.
Renewal Fee	$5,000	Upon renewal	You must also satisfy certain conditions enumerated in the Franchise Agreement in order to renew.
Relocation Fee	$2,000	Upon relocation	If you intend to relocate your Restaurant, we have the right, but not the obligation, to provide you with assistance in relocating the Restaurant. If we do provide such assistance, you will be required to pay this Relocation Fee.
Marketing Materials Fee – Shipping Fees	Up to $100 per shipment	As incurred	If we allocate certain portion of the Fund to create/product advertising materials to be used by our franchisees, then you must cover the costs associated with shipping such materials to your Franchised Business. We estimate that the shipping costs will be less than $100 per occurrence.
Insurance	Will vary according to circumstances	Upon demand	If you fail to obtain required insurance, we may obtain such insurance at your expense (but are not required to do so) and charge you a service fee to do so. Otherwise, these payments are made directly to your third-party insurance provider.
Indemnification	Amount of claim or judgment	When incurred	You must reimburse us for our attorneys' fees and other costs that we incur in connection with any third-party claims brought against us that arise out of, or are related to, the operation of your Franchised Business.

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TYPE OF FEE[(1)]	AMOUNT	DUE DATE	REMARKS
Liquidated Damages	Up to 36 months of Royalty Fees and Brand Fund Contributions due under your Franchise Agreement	Upon termination of the Franchise Agreement due to your default	If the Franchise Agreement is terminated by us due to your default, you must pay us liquidated damages. The amount of liquidated damages will be the average Royalty Fee and Fund Contribution payable by you over the 12-month period immediately preceding the date of termination, multiplied by the lesser of 36 months or the number of months remaining in term of the Franchise Agreement.
Supplier Testing Costs	The greater of the actual costs we incur in evaluating any proposal you submit, or $1,000 per proposal	As incurred	As discussed more fully in Item 8, you may propose a non-approved item or non-approved supplier that you would like to use in connection with your Franchised Business. If you make such a proposal, we reserve the right to be reimbursed for the actual expenses/costs we incur in evaluating your proposal, or $1,000, whichever is greater.
De-identification and Post-term Compliance	All amounts incurred by us related to de-identification and post-term compliance	As incurred	Payable if we must de-identify your Franchised Business or perform any of your post-term obligations upon termination, relocation or expiration.
Audit Fees	Actual cost of audit	Upon billing after audit	Payable if audit reveals that you have underreported the Gross Sales of your Franchised Business by 2% or more for any designated reporting period. See Note 5.
Management Fee	10% of the Gross Sales of the Franchised Business over time period that we operate the business on your behalf, plus the costs/expenses we incur in connection with taking over operations	When incurred	Payable if you are in material default of your Franchise Agreement and we choose to step in and operate your Restaurant for you. We will not charge any Management Fee unless we exercise our "step-in" rights under the Franchise Agreement.
Interest	1.5% per month or highest rate permitted under applicable law	Upon demand	Payable on all delinquent payments due to us for more than 30 days. See Note 6.
Insufficient Funds, Interest, and Collection Costs	$100 insufficent funds fee, plus interest at 18% per annum or highest lawful interest rate for commercial transactions	As incurred	You must pay all collection charges associated with our efforts in collecting any amounts owed to you or us under the Franchise Agreement and/or Development Agreement.
Late Fee (Reports)	$10 per day, starting the 11th day after a report is due to us.	As incurred	Payable only if you fail to timely provide us with any report you are required to provide under your Franchise Agreement and fail to cure that default within 10 days of the report's due date.

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TYPE OF FEE[(1)]	AMOUNT	DUE DATE	REMARKS
Regional Advertising Cooperative	An amount determined by the Cooperative	As required by the Cooperative	Payable to us if we assign your Restaurant to a Regional Advertising Cooperative. Any payment for a Regional Advertising Cooperative will be credited against your monthly Local Advertising Requirement. If there is an Affiliate-Owned Restaurant in your Cooperative, then our Affiliate will be able to vote on all matters that you and the other Cooperative members have the right to vote on. The minimum amount you might be required to pay to the Cooperative will be zero and the maximum monthly contribution will be your Local Advertising Requirement for the month at issue.

Explanatory Notes

Generally. We have modified and may modify the fees described in this Item 6 Chart (in favor of a franchisee) to reflect local business conditions, or, in the exercise of our business judgment, for other reasons. Aside from these modifications, all fees listed in this Item 6 Chart are imposed by, and payable to, us and are uniformly imposed on all of the franchisees in our System who sign under the same form of Franchise Agreement, whether for a traditional or conversion Restaurant. These fees are payable in U.S. dollars and are non-refundable unless otherwise stated in this Item. Unless otherwise stated, the fees outlined in the Chart above apply to the Franchise Agreement only (and not to the Development Agreement).

1. **Royalty Fee and Other Fees.** Your Royalty Fee, as well as any other fees payable to us or our affiliates under the Franchise Agreement, may be collected by us via EFT from the bank account you are required to designate solely for use in connection with your Franchised Business (your "EFT Account"). You must provide us with the details of your EFT Account prior to opening and execute all documents necessary to authorize us to make withdrawals from this account throughout the term of your Franchise Agreement, including our then-current EFT Withdrawal Authorization form that is attached as an Exhibit to your Franchise Agreement. You must provide us with advance written notice of any change to the information related to your EFT Account.

2. **Collection Interval.** We currently require our franchisees to pay us on or before Tuesday of each week based on the Gross Sales of the Franchised Business from the preceding business week starting when the Franchised Business opens on Monday and ending when the Franchised Business closes on Sunday (each, a "Business Week"). We reserve the right to change the interval at which we collect your Royalty Fee, Fund Contribution and other recurring fees payable to us or our affiliates under the Franchise Agreement upon written notice to you. For example, we may collect these recurring fees on a monthly rather than weekly basis. Regardless, you are required to provide us with a weekly Gross Sales report detailing your Gross Sales from the preceding Business Week, along with your calculated Royalty Fee, Fund Contribution (if appropriate) and other information that we reasonably require (the "Gross Sales Report") on Monday of each week.

3. **Definition of Gross Sales.** "Gross Sales" means the total revenue generated by your Franchised Business, including all revenue generated from selling Approved Products and any services we

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authorize offered at from or through your Franchised Business, whether such revenues are evidenced by cash, check, credit, charge, account, barter or exchange. Gross Sales also includes any amounts received by you in connection with business interruption insurance associated with your Franchised Business. Gross Sales does not include the sale of products or services for which refunds have been made in good faith to customers, the sale of equipment that is necessary to operate the Franchised Business, any sales tax or other taxes collected from customers by you and paid directly to the appropriate taxing authority, or any reduction in revenue due to coupon sales.

4. **Uniformity of Fund Contribution.** Certain franchisees have arranged and may arrange for a modification of their required Fund Contribution. Aside from these modifications, which we may approve or deny in the exercise of our business judgement, the Fund Contribution is uniformly imposed.

5. **Right to Inspect/Audit.** We have the right to inspect your books and other financial information associated with your Franchised Business during the term of the Franchise Agreement as well as inspect the Premises for compliance with our System standards of food and service quality. If we conduct an audit and it reveals that you have underreported your Gross Sales by two percent (2%) or more, than we may require you to pay the costs we incur in connection with conducting the audit of your Franchised Business (including any fees paid to auditors and/or attorneys). If we conduct an inspection of your Premises and we find that you are in default of our System standards, you will be responsible for our costs in conducting such inspection.

6. **Interest on Late Payments.** Interest begins to accrue on the due date of any payment that has not been timely received or is not paid in full.

ITEM 7
ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT

A. Traditional Restaurant (New Location)

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee[1]	$35,000	Lump Sum	When Signing your Franchise Agreement	Us
Training Expenses[2]	$5,000 to $10,000	As Arranged	As Incurred	Third-Parties
Utility and Security Deposits[3]	$1,000 to $10,000	As Arranged	As Arranged	Landlord and Utility Companies
Insurance Premiums[4]	$1,000 to $8,000	As Arranged	As Arranged	Third-Party Insurance Agency
Business Permits and Licenses[5]	$3,000 to $20,000	As Incurred	As Incurred	Government Agencies
Rent (3 months)[6]	$12,000 to $25,000	As Arranged	As Arranged	Third-Party Landlord
Design and Architectural Fees[7]	$5,000 to $15,000	As Arranged	As Arranged	Third-Party Suppliers
Leasehold Improvements[8]	$175,000 to $400,000	As Arranged	As Arranged	Third-Party Suppliers/Vendors
Interior Brand Design Package	$5,000 to $10,000	As Arranged	As Arranged	Approved Suppliers

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TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Signage[9]	$5,000 to $35,000	As Arranged	As Arranged	Third-Party Suppliers/Vendors
Furniture and Fixtures[10]	$5,000 to $10,000	As Arranged	As Arranged	Third-Party Suppliers/Vendors
Equipment[11]	$75,000 to $120,000	As Arranged	As Incurred	Third-Party Suppliers
Initial Inventory[12]	$6,000 to $12,000	As incurred	As agreed	Third-party Supplier
Grand Opening Advertising[13]	$5,000	As Arranged	As Arranged	Third-Party Supplier or Us
POS/Back Office System[14]	$2,000 to $5,000	As Arranged	As Incurred	Third-Party Suppliers
Professional Fees	$1,000 to $7,000	As Arranged	As Incurred	Licensed Professionals
Additional Funds (3 Months)[15]	$15,000 to $30,000	As Arranged	As Incurred	Various
Total [16]	**$356,000 to $757,000**			

Explanatory Notes

1. **Initial Franchise Fee.** The details of the Initial Franchise Fee are described in Item 5.

2. **Training Expenses.** We will provide portions of our initial training program at our designated training facility in New Jersey or Florida, free of charge for up to two (2) trainees (including you). The low amount in this range assumes one (1) person will attend the initial training program, while the high estimate assumes that two (2) persons will attend. This is the estimated range of costs to cover the travel and living expenses, including airfare, lodging and meals that you and your designated trainee might incur in connection with attending this initial training program. The cost you incur will vary depending upon factors such as distance traveled, mode of transportation, travel preferences (such as air travel or ground transportation), nature of accommodations, per diem expenses actually incurred, and the number of persons who attend training. This estimate does not include any wages or salary for you or your trainee(s) during training.

3. **Utility and Security Deposits.** This estimate includes the security deposit paid in connection with the utilities necessary to operate the Franchised Business, and the actual cost of those utilities over the first three (3) months of operation. These amounts will vary in each market and may be may be refundable (as determined by the payee).

4. **Insurance Premiums.** This is an estimate of insurance premiums for the initial three (3) months of business operation. Your costs will vary depending on your market, the amount of coverage you select, your insurance carrier, and other factors.

5. **Business Permits and Licenses.** You are required to obtain all business licenses, permits, certificates or approvals before you start business. Local, municipal, county, and state regulations vary on what licenses and permits are required by you to operate. Although not part of our standard franchise offering, you may, at your option, decide to purchase a liquor license.

6. **Rent.** You will need to rent or acquire a building for your franchise business. Rent varies considerably from market to market, and from location to location in each market. The estimated range here assumes that you will be renting the Premises of your Franchised Business and is deigned to cover the rent for the Premises over the first three (3) months of your lease. You may be able to obtain rent concessions (in the form of "free rent," "deferred rent" or "tenant concessions") from your landlord, but the estimate in the Item 7 Chart above does not assume that you will receive these types of concessions from your landlord. If you choose to purchase your

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Premises, the costs associated with such a purchase will likely be significantly higher than the estimated range set forth in the Chart above for this item.

7. **Design and Architectural Fees.** After you sign your Franchise Agreement, we may provide you with our current design/layout plans for a prototypical Store to assist you in finding a suitable Premises and preparing your own specific architectural plans for your Franchised Business. You must engage a third-party architectural services provider to prepare the plans concerning the design and layout of your Franchised Business.

8. **Leasehold Improvements.** You will likely need to construct, improve or otherwise "build-out" the Premises at which you will operate your Franchised Business, which will include paying for the necessary materials associated with such build-out and the third-party architects and contractors to implement the plans we have approved for your Franchised Business. You may be able to negotiate various terms with your landlord, including paying or reimbursing you for some of the build out costs for your space through "tenant allowance/improvement credits" or similar concession.

   With a tenant allowance/improvement credit, your landlord may credit some of the costs you incur in building out the Premises towards your monthly rent – but the estimated range in the Item 7 Chart above does not assume any such concessions have been provided by the landlord of your Premises. You may also seek to finance some or all of your build-out costs through your landlord or other financing sources. A variety of factors may affect the availability of your landlord or other third party to provide financing, the monthly overall costs of the financing, and other terms relevant to your decision whether to pay or finance the build out costs.

9. **Signage.** The cost of signage and graphics will vary from location to location depending on lease requirements, local ordinances and restrictions, store frontage, and related factors. We may provide you with a rendering of our prototypical signage used at a Restaurant and require you to use the same at your Franchised Business. Regardless, the final design must be submitted to us for review and approval, which will not be unreasonably withheld so long as you comply with our standards and specifications for these items.

10. **Furniture and Fixtures.** You will need to purchase the furniture and fixtures that meets our System standards and specifications for a Franchised Business, including without limitation, searing for customers, countertops and certain fixtures necessary for kitchen operations (such as "make tables"). You may decide to lease certain furniture and fixtures that is required rather than purchasing it outright. A variety of factors (such as the condition of the national and regional economy, availability of credit, number of suppliers leasing products in your area, the interest rates offered by suppliers, duration of leases offered, security requirements, and your credit history) may affect the availability of leased items, the monthly and overall costs of the leases, and other terms relevant to your decision whether to purchase or lease the furniture and/or fixtures. The estimate we provide in the Chart above assumes that you will purchase the required furniture and fixtures to open and operate your Franchised Business. Please note, however, that the range listed is an estimate and your costs will likely vary based on the location of your Premises and surrounding market. We may require you to obtain certain furniture and fixtures from us or our Approved Supplier(s).

11. **Equipment.** You will also need to purchase certain equipment that meets our System standards and specifications before you can open or commence operations of your Franchised Business. Some of the primary equipment you must purchase includes, but is not limited to, a grill, fryers, walk-in cooler and freezer. This estimate does not include the cost to purchase the point-of-sale system ("POS System") and other computer hardware that we have designated for use in connection with your Franchised Business. Similar to the preceding Note regarding "Furniture and Fixtures", you may be able to lease certain equipment rather than purchase it outright. The same factors that affect

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your ability to lease those furniture and fixture items (and the costs associated with such leasing activity), may likewise affect your ability to lease certain equipment (and the costs associated therewith). Our estimate assumes that you will be purchasing the necessary equipment to open and operate your Franchised Business, some of which we may require you to purchase from us or our Approved Supplier(s).

12. **Initial Inventory.** This estimate covers the inventory and supply items you will need to open and operate your Franchised Business for a period of three (3) months, including the costs of all foods and other ingredient necessary to prepare and serve the Approved Products to meet customer demand over this time period. You may be required to obtain certain inventory/supplies from us or our Approved Supplier(s). Your costs will vary based on the market your Franchised Business is located in, as well as the overall customer demand associated with your Franchised Business.

13. **Grand Opening Advertising Requirement.** This is the amount you can expect to expend in connection with your Grand Opening Advertising Requirement (as described in Items 5 and 11 of this Disclosure Document). While all advertising materials you use in connection with your Grand Opening Advertising Requirement (and otherwise) must be approved by us, if you do not establish a grand opening marketing campaign that we approve within the time period we require, then we may collect your Grand Opening Advertising Requirement from you directly and expend these funds on implementing an advertising campaign on behalf of your Franchised Business.

14. **POS/Back Office System.** This estimate includes the estimated costs associated with purchasing POS System and other computer hardware that we have designated for use in connection with your Franchised Business. We currently have a designated POS System that you must use in connection with your Franchised Business. This estimate also includes estimated costs you will incur in support fees in connection with the hardware/software used in connection with the Franchised Business over the first three (3) months of operation.

15. **Additional Funds (3 Months).** You will need additional capital to support on-going expenses during the initial three (3) months after you open your Franchised Business. The estimated range includes costs that may be associated with items such as payroll, royalty, additional advertising, repairs and maintenance, bank charges, miscellaneous supplies and equipment, state tax, and other miscellaneous items, that may not be covered by sales revenues. The estimated range does not include any salary or draw for the owner of the Franchised Business, nor does it include any costs associated with debt services.

    All figures in the Item 7 Chart above are estimates and we cannot guarantee that you will not have additional expenses in the first (3) months you are operating your Franchised Business. The actual additional expenses you incur during the start-up period may depend on factors such as how much you follow our methods and procedures, your management skills, your experience and business acumen, location of your franchise, local economic conditions and market for your product, prevailing wage rate, competition, and sales level reached during this initial period.

16. **Total.** The figures in this table are only estimates. In calculating these estimates, we relied on the experience of our franchisees opening and operating Restaurants, as communicated to us, of our Affiliates in opening and operating affiliate-owned BUBBAKOO'S BURRITOS Restaurants that are similar to the Franchised Business being offered in this Disclosure Document and estimates we have received from certain third-party vendors. We do not guarantee that you will not have greater start-up expenses other than these estimates or that you will not need more operating funds other than these estimates. We do not imply or guarantee that you will "break even" by any particular time. We do not offer direct or indirect financing to you for any items. The availability of financing through third-party lenders, if any, will depend on factors such as the lending policies of such

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financial institutions, the collateral you may have, your creditworthiness, and the general availability of financing.

Unless otherwise noted above, expenditures are non- refundable unless otherwise provided by the third-party payee for the expenditure(s) at issue.

B. Conversion Restaurant[1]

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee[2]	$28,000	Lump Sum	When Signing a Franchise Agreement	Franchisor
Training Expenses[3]	$5,000 to $10,000	As Arranged	As Incurred	Third Party Suppliers
Utility and Security Deposits[4]	$0 to $10,000	As Arranged	As Arranged	Landlord and Utility Companies
Insurance Premiums[5]	$1,000 to $5,000	As Arranged	As Arranged	Third Party Insurance Agency
Business Permits and Licenses[6]	$0 to $5,000	As Incurred	As Incurred	Government Agencies
Rent (3 months)[7]	$0 to $15,000	As Arranged	As Arranged	Landlord
Design and Architectural Fees[8]	$5,000 to $10,000	As Arranged	As Arranged	Third Party Suppliers
Leasehold Improvements[9]	$100,000 to $250,000	As Arranged	As Arranged	Approved Third Party Suppliers/Vendors
Interior Brand Design Package	$5,000 - $10,000	As Arranged	As Arranged	Approved Suppliers
Signage[10]	$5,000 to $15,000	As Arranged	As Arranged	Approved Third Party Suppliers/Vendors
Furniture and Fixtures[11]	$5,000 to $10,000	As Arranged	As Arranged	Approved Third Party Suppliers/Vendors
Equipment[12]	$50,000 to $80,000	As Arranged	As Incurred	Third-Party Suppliers
Initial Inventory[13]	$6,000 to $12,000	As incurred	As agreed	Third-party supplier
Grand "Re-Opening" Advertising[14]	$5,000	As Arranged	As Arranged	Third Party Suppliers or Us
POS/Back Office System[15]	$2,000 to $5,000	As Arranged	As Incurred	Third-Party Suppliers
Professional Fees	$1,000 to $7,000	As Arranged	As Incurred	Attorneys and Accountants
Additional Funds (3-6 Months)[16]	$15,000 to $30,000	As Arranged	As Incurred	You Determine
Total [17]	**$233,000 to $507,000**			

Explanatory Notes

1. **General Note Regarding Estimates for Conversion Restaurant.** The estimated investment disclosed in Chart 7(B) above does not include any of the fees or other costs you would normally incur and/or invest if you were to continue operating your existing restaurant rather than converting your existing business to a Franchised Business that operates utilizing our Proprietary Marks and System. The amounts disclosed in Chart 7(B) above detail the amounts we estimate you will need to expend in addition to those amounts you would otherwise expend in the normal course of operating your existing restaurant business. All fees and payments are non-refundable, unless otherwise stated or permitted by the payee. Actual costs will vary for each franchise location depending on a number of factors, including the equipment and computer hardware/software you already use in connection with your existing restaurant business, market condition, and the

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geographic location of your converted Franchised Business. Unless otherwise stated, the high estimate assumes that the cost will be the same as a Traditional Restaurant, but will vary based on any certificates, fixtures, furniture, infrastructure, etc. that you may already have in place at your existing location.

2. **Initial Franchise Fee (Reduced for Conversion).** The reduced Initial Franchise Fee that you must pay in connection with converting your existing restaurant operations to a Franchised Business is discussed more fully in Item 5 of this Disclosure Document.

3. **Training Expenses.** Before re-opening your Restaurant, we will provide up to two (2) trainees with the same Initial Training Program we would provide to a franchisee that is opening a traditional Restaurant (non-conversion), unless we mutually agree otherwise in writing. Please see Note 2 following Chart 7(A) above for more information on this Initial Training Program and the corresponding range set forth in this Chart.

4. **Utility and Security Deposits.** Since you were already operating an existing restaurant at a Premises that we have approved as part of the Conversion Criteria, we do not expect that you will incur any additional costs or fees in connection with security deposits associated with (a) the lease for the Premises, or (b) the utilities provided at the Premises. The low end of the estimated range for this item accounts for this fact, while the high end of the range is the same as set forth in Chart 7(A). You will still be required to remain current with any lease/utility deposit obligations that you already had in connection with your prior restaurant business. Please see Note 3 following Chart 7(A) above for more information on this item and the high-end estimate.

5. **Insurance Premiums.** The low end of the estimated range assumes that you already had the levels of insurance we require in connection with the operation of your existing restaurant and will not incur any additional premium costs in connection with this same insurance applying to the operation of the Franchised Business at the same Premises (other than what you would have otherwise been paying if you had not converted your existing operations). Please see Note 4 following Chart 7(A) above for more information on this item and the high-end estimate.

6. **Business Permits and Licenses.** The low end of the estimated range assumes that you have already obtained all proper licenses and permits necessary to operate your existing restaurant at the Premises, and the same permits/licenses will cover your operation of the Franchised Business at that same location. You will still be required to remain current with any recurring payments necessary to maintain these licenses (just as you would have been with your existing restaurant operations if you had not converted). Please see Note 5 following Chart 7(A) for more information on this item and the high-end estimate.

7. **Rent.** As part of the Conversion Criteria, we must approve the location of your existing restaurant operations as the Premises for the Franchised Business. The estimate of $0 in this Chart assumes that you (a) are already making rent payments for the Premises in order to operate your existing restaurant, and (b) will not be required to incur any additional rent or related payments under your existing lease for the Premises in order to operate the Franchised Business from this location. For more information on "Rent" generally, please see Note 6 following Chart 7(A) above.

8. **Design and Architectural Fees.** Please see Note 7 following Chart 7(A) above for additional information on this item and note that we did not adjust the estimated investment for this item from what we estimate would be incurred in connection with opening a traditional (non-conversion) Restaurant. With that said, your costs associated with this design and architectural fees may be substantially lower if we determine that you do not need to substantially renovate or otherwise build-out the location of your existing restaurant operations.

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9. **Leasehold Improvements.** Please see Note 8 following Chart 7(A) above for additional information on this item and note that we did not adjust the estimated investment for this item from what we estimate would be incurred in connection with opening a traditional (non-conversion) Restaurant. With that said, your costs associated with leasehold improvements may be substantially lower if we determine that you do not need to substantially renovate or otherwise build out the location of your existing restaurant operations.

10. **Signage and Graphics.** Please see Note 9 following Chart 7(A) above for additional information on this item and note that we did not adjust the estimated investment for this item from what we estimate would be incurred in connection with opening a traditional (non-conversion) Restaurant.

11. **Furniture and Fixtures.** Please see Note 10 following Chart 7(A) above for additional information on this item and note that we did not adjust the estimated investment for this item from what we estimate would be incurred in connection with opening a traditional (non-conversion) Restaurant. With that said, your costs associated with the furniture and fixtures necessary to re-open as a Franchised Business may be lower than this estimated range if you already have certain furniture and fixtures that meet our then-current System standards and specifications.

12. **Equipment.** Please see Note 11 following Chart 7(A) above for additional information on this item and note that we did not adjust the estimated investment for this item from what we estimate would be incurred in connection with opening a traditional (non-conversion) Restaurant. With that said, your costs associated with the equipment necessary to re-open as a Franchised Business may be lower than this estimated range if you already have certain equipment that meet our then-current System standards and specifications.

13. **Initial Inventory.** Please see Note 12 following Chart 7(A) above for additional information on this item and note that we did not adjust the estimated investment for this item from what we estimate would be incurred in connection with opening a traditional (non-conversion) Restaurant. We expect that you will need to purchase the same stock of initial inventory to re-open your existing restaurant as a Franchised Business as a new franchisee would expend in connection with a traditional Restaurant.

14. **Grand Re-Opening Advertising Requirement.** You will be required to expend the same amount as a new franchisee opening a traditional (non-conversion) Restaurant on the "re-opening" as a Franchised Business. Please see Note 13 following Chart 7(A) for additional information on this item.

15. **POS/Back Office System.** Please see Note 14 following Chart 7(A) above for additional information on this item and note that we did not adjust the estimated investment for this item from what we estimate would be incurred in connection with opening a traditional (non-conversion) Restaurant. With that said, your costs associated with the POS system and other computer components necessary to re-open as a Franchised Business may be lower than this estimated range if you already have certain components that meet our System standards and specifications.

16. **Additional Funds (3 Months).** Please see Note 15 following Chart 7(A) above for additional information on this item and note that we did not adjust the estimated investment for this item from what we estimate would be incurred in connection with opening a traditional (non-conversion) Restaurant.

17. **Total.** The figures in this table are only estimates. In calculating these estimates, we relied on the experience of our Affiliate that has opened various Restaurants similar to the Franchised Business as described in Note 16 to Chart 7(A) above, including one (1) Restaurant that was a conversion of an existing restaurant operations, and estimates we have received from certain third-party vendors. The initial investment you expend in connection with converting your current restaurant location

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into a Franchised Business may vary greatly based on how much of your existing equipment, inventory, furniture, fixtures can also be used in the Franchised Business, how much you will be required to expend to renovate/construct the location of your existing restaurant to comply with build-out/construction/décor standards and specifications of a Franchised Business, and, in general, how close your current operations are when compared to the operation of a Franchised Business in accordance with our System.

We do not guarantee that you will not have greater start-up expenses other than these estimates or that you will not need more operating funds other than these estimates. We do not imply or guarantee that you will "break even" by any particular time. We do not offer direct or indirect financing to you for any items. The availability of financing through third-party lenders, if any, will depend on factors such as the lending policies of such financial institutions, the collateral you may have, your creditworthiness, and the general availability of financing.

Unless otherwise noted above, expenditures are non- refundable.

C. Development Agreement

YOUR ESTIMATED INITIAL INVESTMENT[1]

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is to be Made
Initial Development Fee[2]	$55,000	Lump Sum	Upon execution of Development Agreement	Franchisor
Initial Investment to Open Initial Franchised Business (non-conversion)[3]	$321,000 to $722,000	See Chart A of this Item 7.		
TOTALS	**$376,000 to $777,000**	This is the total estimated initial investment to enter into a Development Agreement for the right to own a total of three (3) Franchised Businesses, as well as the costs to open and commence operating your initial Franchised Business for the first three (3) months (as described more fully in Chart A of this Item 7).		

Explanatory Notes

1. **General Note.** All fees and payments are non-refundable, unless otherwise stated or permitted by the payee. This Chart details the estimated initial investment associated with executing a Development Agreement for the right to own and operate three (3) Franchised Businesses, as well as the initial investment to open your first Franchised Business under your Development Schedule.

2. **Initial Development Fee.** The Initial Development Fee is described in greater detail in Item 5 of this Disclosure Document, and this Initial Development Fee is for the right to open and operate a total of three (3) Franchised Businesses (provided you comply with your development obligations under the Development Agreement). If you choose to open more than three (3) Franchised Businesses, your Initial Development Fee will be calculated as follows: $35,000 for the Initial Franchised Business that we will grant you the right to open and operate under the Development Agreement, plus $10,000 for each Additional Franchised Business that you are granted the right to open under the Development Agreement.

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3. **Initial Investment to Open Initial Franchised Business (Non-Conversion).** This figure represents the total estimated initial investment required to open the initial Franchised Business you agreed to open and operate under the Development Agreement. You will be required to enter into our then-current form of franchise agreement for the initial Franchised Business you open under your Development Agreement, most likely once you have found a Premises for the business that we approve. The range includes all the items outlined in Chart 7.A. of this Item, except for the Initial Franchise Fee (because you are not required to pay any Initial Franchise Fee for those Franchised Businesses you open under the Development Agreement). It does not include any of the costs you will incur in opening any additional Franchised Business(es) that you are granted the right to open and operate under your Development Agreement.

4. **Subsequent Development Payments (Not Included in this Chart 7.C.).** As previously disclosed in Item 5, you will be required to pay us a Subsequent Development Payment of $10,000 in connection with each Additional Franchised Business upon the earlier of 10 days from the date you sign a lease in connection with that Additional Franchised Business, or the date you sign a Franchise Agreement in connection with that Additional Franchised Business. These fees are not included in Chart 7.C. above, however, because they will not likely be paid within three (3) months of the date you open your Initial Franchised Business granted under your Development Agreement. You are not required to pay any Subsequent Development Payment in connection with your Initial Franchised Business.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate all aspects of your Franchised Business in strict conformance with the methods, standards and specifications of our System. Our methods, standards, and specifications will be communicated to you in writing through our confidential Manuals and other proprietary guidelines and writings that we prepare for your use in connection with the Franchised Business and System. We may periodically change our System standards and specifications from time to time, as we deem appropriate or necessary in our sole discretion, and you will be solely responsible for costs associated with complying with any modifications to the System.

Approved Products and Services

You may only market, offer, sell and provide the Approved Products, as well as any services we authorize, from or through your Franchised Business in a manner that meets our System standards and specifications. We will provide you with a list of our then-current Approved Products, along with their corresponding proprietary recipes and standards and specifications for storage/preparation/presentation, as part of the Manuals or otherwise in writing prior to the opening of your Franchised Business. We may update or modify this list in writing at any time.

If you wish to offer any product or service in your Franchised Business other than our Approved Products or use any item in connection with your Franchised Business that does not meet our System standards and specifications, then you must obtain our prior written approval as described more fully in this Item.

Approved Suppliers

We have the right to require you to purchase any items or services necessary to operate your Franchised Business from a supplier that we approve or designate (each, an "Approved Supplier"), which may include us or our affiliate(s) (whether existing or otherwise formed in the future). We will provide you with a list

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of our then-current Approved Suppliers in writing as part of the Manuals or otherwise in writing, and we may update or modify this list as we deem appropriate.

We require you to use our Approved Supplier for: (i) certain pre-opening architectural/design services that must be performed in connection with the construction/build-out of your Franchised Business; (ii) the negotiation of your Lease for the Premises; (iii) certain signage, equipment, furniture and fixtures you must purchase in connection with your Franchised Business, including our designated POS System, certain paper goods, menus, and other items bearing the Proprietary Marks that you must use in connection with your Franchised Business; (iv) certain other inventory and supply items that you must purchase to establish and continue operations of your Franchised Business, including food and ingredients necessary to prepare the Approved Products.

We reserve the right to require you to purchase or lease any other item or services necessary to establish or operate your Franchised Business at any time in the future.

We may develop proprietary products for use in your Franchised Business, including private-label products that bear our Proprietary Marks, and require you to purchase these items from us or our Affiliate(s) for resale to customers at your Franchised Business.

If you wish to purchase a product or service that we require you to purchase from an Approved Supplier from an alternate source, then you must obtain our prior written approval as outlined more fully in this Item. We may provide our standards and specifications for our Approved Products and Services directly to our Approved Suppliers, and may provide these standards and specifications to an alternative supplier you propose if we approve the supplier in writing as outlined more fully in this Item, and the alternative supplier agrees to sign our prescribed form of non-disclosure agreement with respect to any confidential information we disclose.

We are only the Approved Supplier for: (i) any training we provide to you under the Franchise Agreement (whether prior to or post-opening; and (ii) any technology services we determine to provide to you as part of our then-current Technology Fee (if any).

Except as provided above, neither we nor any of our affiliates are currently an Approved Supplier for any items you are required to purchase in connection with your Franchised Business. None of our officers own an interest in any Approved Suppliers. We reserve the right to designate us or any of our Affiliates as an Approved Supplier with respect to any item you must purchase in connection with your Franchised Business in the future.

Required Purchases and Right to Derive Revenue

The products or services we require you to purchase or lease from an Approved Supplier, or purchase or lease in accordance with our standards and specifications, are referred to collectively as your "Required Purchases." We estimate that your Required Purchases will account for approximately 85% to 95% of your total costs incurred in establishing your Franchised Business, and approximately 85% to 95% of your ongoing costs to operate the Franchised Business after the initial start-up phase. Please be advised that these percentages do not include your lease payments you make in connection with your Premises.

We reserve the right to derive revenue from any of the purchases (items or services) that our System franchisees are required to make in connection with the Franchised Business.

We and/or our affiliate negotiated an arrangement with the designated supplier of beverage and foods

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products under which the supplier will pay our affiliate a rebate ranging from 0.1% - 3.0% based on the volume purchased.

During our fiscal year ending December 31, 2025, we did not derive any revenue on account of our franchisees' required purchases.

In the year ending December 31, 2025, PBKK Enterprises, Inc. derived $550,000 on account of our franchisees' required purchases from our Approved Supplier for beverages products and $100,000 on account of our franchisees' required purchases from our Approved Supplier for food products.

Non-Approved Product/Service and Alternate Supplier Approval

We may, but are not obligated to, grant your request to offer any products or services in connection with your Franchised Business that are not Approved Products and Services, or purchase any item or service we require you to purchase from an Approved Supplier from an alternative supplier.

If you wish to undertake either of these actions, you must request and obtain our approval in writing before using or offering the non-approved product or service in connection with your Franchised Business or purchasing from a non-approved supplier. You must pay our then-current supplier or non-approved product evaluation fee when submitting your request. If you make such a proposal, we reserve the right to charge you the greater of the costs/expenses we incur in evaluating/testing your proposal, or $1,000 per proposal. We may ask you to submit samples or information so that we can make an informed decision whether the goods, equipment, supplies or supplier meet our specifications and quality standards. In evaluating a supplier that you propose to us, we consider not only the quality of the particular product at issue, but also the supplier's production and delivery capability, overall business reputation and financial condition. We may provide any alternate supplier you propose with a copy of our then-current specifications for any product(s) you wish the supplier to supply, provided the supplier enters into a confidentiality and non-disclosure agreement in the form we specify. We may also inspect a proposed supplier's facilities and test its products, and request that you reimburse our actual costs associated with the testing/inspection.

We will notify you in writing within 120 days after we receive all necessary information and/or complete our inspection or testing to advise you if we approve or disapprove the proposed item and/or supplier. The criteria we use in approving or rejecting new suppliers is proprietary, but we may (but are not required to) make it available to you upon request. Each supplier that we approve of must comply with our usual and customary requirements regarding insurance, indemnification and non-disclosure. If we approve any supplier, we will not guarantee your performance of any supply contract with that supplier under any circumstances. We may re-inspect and/or revoke our approval of a supplier or item at any time and for any reason to protect the best interests and goodwill of our System and Proprietary Marks. The revocation of a previously-approved product or alternative supplier is effective immediately when you receive written notice from us of revocation and, following receipt of our notice, you may not place any new orders for the revoked product, or with the revoked supplier.

Purchasing Cooperatives and Right to Receive Compensation

We may, when appropriate, negotiate purchase arrangements, including price terms, with designated and Approved Suppliers on behalf of the System. We may establish strategic alliances or preferred vendor programs with suppliers that are willing to supply some products, equipment, or services to some or all of the System Restaurant(s). If we do establish those types of alliances or programs, we may limit the number of approved suppliers with whom you may deal, designate sources that you must use for some or all

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products, equipment, and services, and refuse to approve proposals from franchisees to add new suppliers if we believe that approval would not be in the best interests of the System.

We and/or our Affiliates may receive payments or other compensation from Approved Suppliers or any other suppliers on account of these suppliers' dealings with us, you, or other Franchised Businesses in the System, such as rebates, commissions, or other forms of compensation. We may use any amounts that we receive from suppliers for any purpose that we deem appropriate. We and/or our affiliates may negotiate supply contracts with our suppliers under which we are able to purchase products, equipment, supplies, services and other items at a price that will benefit us and our franchisees.

We do not currently have any purchasing or distributing cooperatives, but we reserve the right to create such cooperatives in the future.

Franchisee Compliance

When determining whether to grant new or additional franchises, we consider many factors, including your compliance with the requirements described in this Item 8. Otherwise, you do not receive any further benefit as a result of your compliance with these requirements.

Advertising

All advertising and promotional materials and other items we designate must bear the Proprietary Marks in the form, color, location and manner we prescribe. In addition, all your advertising and promotion in any medium must be conducted in a dignified manner and must conform to the standards and requirements we prescribe in the Manuals or otherwise. You must obtain our approval before you use any advertising and promotional materials or plans in connection with your Franchised Business if we have not prepared or approved them during the 12 months prior to the date of your proposed use.

Approved Location and Lease

You must obtain our approval of the Premises for your Franchised Business before you acquire the site. You must also obtain our approval of any contract of sale or lease for the Premises before you execute the contract or lease, and we may condition our approval of any such lease on you and your landlord's execution of our prescribed form of Collateral Assignment of Lease and lease addendum. You must also ensure that you comply with all of our System standards and specifications related to the build-out, remodeling and/or construction of your Franchised Business at the Premises. In the future, we may provide you with a template form of Letter of Intent or proposed Lease to use in connection with your Lease negotiations.

As previously discussed, we currently have Approved Suppliers for certain architectural/design services, as well as construction/build-out services, which we may require you to use in the establishment of your Franchised Business.

If you wish to convert your existing restaurant operations to a Franchised Business, you may be required to ensure the landlord for the premises of your existing business execute our prescribed form of lease addendum, execute our Collateral Assignment of Lease with respect to the Premises, and construct, renovate and build-out the Premises to comply with our then-current System standards and specifications for the design/layout and floor plan of a new System Restaurant. Your existing operations must also meet all of our other then-current Conversion Criteria (as described in Item 1).

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Insurance

You must purchase and maintain the types and amounts of insurance that we designate in our Manuals or otherwise in writing, including a general liability policy with $2,000,000 in total coverage and $1,000,000 per incident, all of which we may modify from time to time as we deem appropriate in our reasonable discretion. We do not have an Approved Supplier for insurance, but you must furnish us with certificates of insurance (or, at our request, copies of all insurance policies), evidencing the existence and continuation of the insurance coverage required by the Franchise Agreement. All policies must contain a waiver of subrogation in our favor, and must name us and any additional parties we designate as additional insureds (except with regards to workers' compensation insurance). All policies must be underwritten by companies having an A.M. Best rating of A or higher. If you are operating a conversion Restaurant, you must meet our then-current insurance requirements as part of our Conversion Criteria. You must maintain these insurance levels, as described more fully in this paragraph, throughout the term of your Franchise Agreement.

Computer Hardware and Software

You must purchase any and all computer hardware, software and peripherals in accordance with our System standards and specifications. We may require you to purchase any of these items from one of our Approved Suppliers. Currently, you must purchase our designated POS System that will use the software we designate. If you are a conversion franchisee, we may permit you to use certain computer components and software that you are already using in connection with your existing restaurant operations, but only to the extent such equipment/software meets our then-current System standards and specifications.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

	Obligation	Section in Franchise Agreement	Section in Development Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	Sections 2, 5 and 6	Section 1 and Exhibit A of the Development Agreement	Item 11
b.	Pre-opening purchases/leases	Sections 5 and 6 Conversion Addendum: Section 3	Nothing Additional (see Franchise Agreements signed)	Items 7, 8, 11
c.	Site development and other pre-opening requirements	Sections 2, 5 and 6 Conversion Addendum: Section 5	Sections 1, 5 and Exhibit A of the Development Agreement	Items 6, 7, 11
d.	Initial and ongoing training	Sections 5 and 6 Conversion Addendum: Section 6	Nothing Additional (see Franchise Agreements signed)	Item 11
e.	Opening	Sections 5 and 6 Conversion Addendum: Section 3	Nothing Additional (see Franchise Agreements signed)	Item 11
f.	Fees	Sections 3, 4, 9 and 13(E) Conversion Addendum: Section 4	Section 2	Items 5, 6, 7, 11
g.	Compliance with standards and policies/Confidential Operations Manual	Sections 5 and 6 Conversion Addendum: Schedule 1 (Conversion Criteria)	Nothing Additional (see Franchise Agreements signed)	Items 6, 11

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	Obligation	Section in Franchise Agreement	Section in Development Agreement	Disclosure Document Item
h.	Trademarks and proprietary information	Section 7	Nothing Additional (see Franchise Agreements signed)	Items 13, 14
i.	Restrictions on products/services offered	Sections 5 and 6	Nothing Additional (see Franchise Agreements signed)	Items 8, 11, 16
j.	Warranty and customer service requirements	Section 6	Nothing Additional (see Franchise Agreements signed)	Not Applicable
k.	Territorial development and sales quotas	Not Applicable	Section 1 and Exhibit A of the Development Agreement	Item 12
l.	Ongoing product/service purchases	Sections 5 and 6	Nothing Additional (see Franchise Agreements signed)	Items 8, 16
m.	Maintenance, appearance and remodeling requirements	Section 6 Conversion Addendum: Section 5(b)	Nothing Additional (see Franchise Agreements signed)	Items 8, 11
n.	Insurance	Sections 6 and 11 Conversion Addendum: Schedule 1	Nothing Additional (see Franchise Agreements signed)	Items 6, 11
o.	Advertising	Sections 4, 5, 6 and 9 Conversion Addendum: Section 5(e)	Nothing Additional (see Franchise Agreements signed)	Items 6, 11
p.	Indemnification	Section 11	Nothing Additional (see Franchise Agreements signed)	Item 9
q.	Owner's participation/ management/staffing	Section 6	Nothing Additional (see Franchise Agreements signed)	Item 15
r.	Records and reports	Sections 4, 6 and 10	Nothing Additional (see Franchise Agreements signed)	Items 6, 9, 21
s.	Inspections and audits	Section 5 and 10	Nothing Additional (see Franchise Agreements signed)	Items 6, 11, 21
t.	Transfer	Section 13	Section 8	Item 17
u.	Renewal	Section 3	Nothing Additional (see Franchise Agreements signed)	Item 17
v.	Post-termination obligations	Sections 14(B) and 16	Nothing Additional (see Franchise Agreements signed)	Item 17
w.	Non-competition covenants	Section 14	Nothing Additional (see Franchise Agreements signed)	Item 17
x.	Dispute resolution	Sections 19 and 21 Conversion Addendum: Section 10	Sections 11 through 19	Item 17

ITEM 10
FINANCING

We do not offer direct or indirect financing, nor do we guarantee your 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 with any assistance.

A. Pre-Opening Obligations

1. If you have entered into a Development Agreement for the right to operate multiple Franchised Businesses, we will designate your Development Area where you will have the right to secure a Premises (each of which we must approve) for each of your Franchised Businesses. (Development Agreement, Section 3);

2. We will provide site selection guidelines and assistance (as described more fully below in this Item 11), as we deem appropriate in our discretion, in connection with selecting the Premises for each of your Franchised Business(es). We will also review, and subsequently approve/reject, any proposed lease or purchase agreement for each location that you propose as a Premises for any Franchised Business. (Franchise Agreement, Sections 2(B) and 5(F));

3. Once you secure a Premises that we approve for a Franchised Business, we will define your Designated Territory for that Franchised Business and include its boundaries in a Data Sheet attached as an Exhibit to your Franchise Agreement. (Franchise Agreement, Section 2(D));

4. Up to seven (7) days before your grand opening in connection with the initial Franchised Business you are awarded the right to open and operate under a Franchise Agreement with us, we may provide up to seven (7) days of on-site assistance and training at your Premises (the "On-Site Assistance"). We may also decide, at our reasonable discretion, that you require more than seven (7) days of On-Site Assistance. If we provide such additional On-Site Assistance beyond a period of 10 days, you will be required to pay the operating costs and expenses we incur in connection with our representatives for each additional day of On-Site Assistance provided by such trainer personnel. Upon completion of On-Site Assistance, we will provide you with a written evaluation containing required action plans based on your performance during the On-Site Assistance. (Franchise Agreement, Section 5(B)).

5. We will loan or provide you with access to a copy of our confidential and proprietary Manuals. You must operate your Franchised Business in accordance with the Manuals and all applicable laws and regulations. The Manuals may be amended or modified by us to reflect changes in the System. You must keep the Manuals confidential and current, and you may not copy any part of the Manuals. You are required to keep a copy of the Manuals at your Premises, and if there is a dispute relating to the contents of the Manuals, then the master copy (which we maintain at our corporate headquarters) will control. We reserve the right to disclose updates to the Manuals in writing in any manner, including electronic means such as e-mail, our website and any intranet or extranet that we establish in connection with the System. The table of contents for our Operations Manual is attached to this Disclosure Document as Exhibit H and is a total of approximately 245 pages (Franchise Agreement, Section 5(E));

6. We will provide you with a list of our Approved Products, Required Items and Approved Suppliers (to the extent we have designated them), either as part of the Manuals or otherwise in writing. (Franchise Agreement, Section 5(E));

7. We will review and approve your signage, the proposed layout and design of your Premises (which must be prepared by our Approved Supplier unless we agree otherwise in writing), as well the

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equipment, furniture and fixtures used in connection with your Franchised Business, as we deem appropriate and advisable in our discretion. (Franchise Agreement, Section 6(F));

8. We will provide assistance and guidance in establishing prices for products and services. The Operations Manual shall provide you with a list of suggested minimum and maximum prices (subject to restrictions imposed under applicable law) for the sale of products and services to be offered by you. (Franchise Agreement, Section 6(S)).

9. If you are operating a conversion Restaurant, we will inspect the premises of your existing restaurant, as well as certain financial information, and determine whether or not your current restaurant meets our Conversion Criteria. (Section 1 of the Conversion Addendum); and

10. We will provide you, at least one (1) of your management personnel, as well as any other management personnel you designate with our proprietary initial training program (the "Initial Training Program") regarding our System methods and techniques related to the establishment and operation of a System franchise. We will provide this training to you and one (1) other person tuition-free, but you are solely responsible for all costs and expenses you (and all other attendees) incur in connection with attending the Initial Training Program at our training facility in New Jersey or Florida (or other training facility we designate), over a period of time that typically lasts approximately five (5) weeks (including travel, lodging, meals and employee wages). You must complete our Initial Training Program to our satisfaction at least sixty (60) days prior to opening your Franchised Business. If you are a partnership, corporation or limited liability company, at least one of the trainees must be your general partner, principal shareholder, or managing member as appropriate. If you have appointed a manager to run the day-to-day operations of the Franchised Business (the "Designated Manager"), then this Designated Manager must also attend the Initial Training Program. (Franchise Agreement, Sections 5(A) and 6(N)). The Initial Training Program will be the same for a Traditional Restaurant as well as a Conversion Restaurant.

Please find a Training Chart providing the details of our Initial Training Program on the following page.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
History/Philosophy of Bubbakoo's Burritos	2	0	Certified training Restaurant or other training facility we designate (which may include your Franchised Business).
Use of Manual	4	2	Certified training Restaurant or other training facility we designate (which may include your Franchised Business).
Tour of Restaurant	-	2	Certified training Restaurant or other training facility we designate (which may include your Franchised Business).
Pre-opening Procedures	-	15	Certified training Restaurant or other training facility we designate (which may include your Franchised Business).
Products (overall)	-	6	Certified training Restaurant or other training facility we designate (which may include your Franchised Business).
Management Procedures	-	30	Certified training Restaurant or other training facility we designate (which may include your Franchised Business).
Franchise Reporting requirements	4	4	Certified training Restaurant or other training facility we designate (which may include your Franchised Business).
Accounting/Record keeping	2	8	Certified training Restaurant or other training facility we designate (which may include your Franchised Business).
Guest Service Procedures	-	20	Certified training Restaurant or other training facility we designate (which may include your Franchised Business).

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Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Front/Back of House/Manager Duties	-	30	Certified training Restaurant or other training facility we designate (which may include your Franchised Business).
Back of House – Prep Procedures	-	30	Certified training Restaurant or other training facility we designate (which may include your Franchised Business).
Back/Front of House – Cook/Grill/Line Procedures	6	30	Certified training Restaurant or other training facility we designate (which may include your Franchised Business).
Cashier Training	2	10	Certified training Restaurant or other training facility we designate (which may include your Franchised Business).
Inventory Management	2	6	Certified training Restaurant or other training facility we designate (which may include your Franchised Business).
POS System	2	8	Certified training Restaurant or other training facility we designate (which may include your Franchised Business).
Cleaning Procedures	-	7	Certified training Restaurant or other training facility we designate (which may include your Franchised Business).
Safety Procedures	2	4	Certified training Restaurant or other training facility we designate (which may include your Franchised Business).
Purchasing	4	8	Certified training Restaurant or other training facility we designate (which may include your Franchised Business).
Totals	**30**	**220**	

We do not currently have a set training schedule, but our Initial Training Program will be made available on an as-needed basis subject to the availability of our personnel. Instructional materials, including components of the Manuals, will be provided to you and used as necessary as you proceed through the Initial Training Program. The Initial Training Program is subject to change without notice to reflect updates in the materials, methods and Manuals, as well changes in personnel. The subjects taught and the time periods allocated for each subject may vary based on the experience of the people being trained. We may, as we deem appropriate in our sole discretion, provide certain portions or all of your Initial Training Program via the Internet or webinar.

Kevin Olivio, our Director of Training, will typically oversee that provision of the Initial Training Program. Mr. Olivio has approximately 13 years of experience with us and our brand, as well as in connection with the topics of instruction. Chris Repstein and Owen Kwiecinski, our Training Managers, will also oversee portions of the Initial Training Program. Mr. Repstein has approximately 3 years of experience as a General Manager of a Bubbakoo's Restaurant, and Mr. Kwiecinski has approximately 9 years as an Operations Manager with us. Both Mr. Repstein and Mr. Kwiecinski have experience with us and our brand, as well as in the topics of instruction.

We reserve the right to appoint and substitute other individuals to assist in providing training, but all of our training personnel will have at least one (1) year of experience in the subject matters that they teach. We will loan you one copy of our proprietary instructional materials prior to or upon your attendance at our Initial Training Program, which may include our Manuals and certain other instructional materials that we develop. You, or another person that successfully completes our Initial Training Program, will be required to train all other personnel that works at your Franchised Business. (Franchise Agreement, Section 6(N) and 6(O)).

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Our training managers may utilize other employees to assist them with all aspects of training. Failure to complete the Initial Training Program to our satisfaction within the applicable time period may result in termination of the Franchise Agreement. (Franchise Agreement, Section 5(A)).

If you request to have more than two (2) individuals attend the Initial Training Program, we will train these individuals, subject to the availability of our training staff and at our sole discretion, at our corporate headquarters or any other location we may select and we reserve the right to charge our then-current training tuition fee, which is currently $250 per trainee (per day). If you, your Designated Manager (if applicable) or other trainee you designate fails to complete the Initial Training Program to our satisfaction, that person may re-attend or you may send a replacement to our next available Initial Training Program session, provided there is availability. We may charge our then-current training tuition rate for these individuals to re-attend the Initial Training Program as well. In any event, you are solely responsible for all expenses incurred related to your and your employee's attendance at our Initial Training Program, including transportation to and from the training site, lodging, meals and employee wages. (Franchise Agreement, Section 5(A) and 6(N)).

Prior to and during your first week of opening, we may also provide up to seven (7) days of on-site assistance as we deem appropriate in our sole discretion, as described more fully in this Disclosure Document. If we provide more than 10 days of on-site assistance, we may require you to reimburse us for the costs and expenses associated with the same. There are no additional required training or refresher courses required to be disclosed in this Item.

B. Site Selection

You must assume all costs, liabilities, expenses and responsibility for locating, obtaining and developing a Premises for your Franchised Business, and constructing, equipping, remodeling and/or building out the Premises for use as a Franchised Business, all in accordance with our System standards and specifications. We may provide you with our current written site selection guidelines, to the extent such guidelines are in place, and any other site selection counseling and assistance we believe is advisable. Our guidelines for site selection may require that you conduct, at your expense, an evaluation of the demographics of the market area for the location. We may then use these factors in determining the suitability of your proposed site for the Premises of your Franchised Business.

In deciding whether to approve a site, we may also consider, among other things, the demographic characteristics, traffic patterns, allowed design and building, parking, visibility, allowed signage, and the predominant character of the neighborhood surrounding the proposed site. We may also consider competition from other businesses selling similar products and services within the area and the proximity of the site to these businesses, as well as the nature of all other businesses in proximity to the site, zoning restrictions, soil and environmental issues, and other commercial characteristics, as well as the size, appearance, and other physical characteristics of the proposed site.

If you are a converting your existing restaurant operations to a Franchised Business, then we must have approved the location of your existing operations as the Premises of the Franchised Business (as part of the Conversion Criteria) before we even allow you to enter into a Franchise Agreement. (Sections 1 and 4(a) of the Conversion Addendum, as well as Schedule 1 thereto).

We must also have the opportunity to review any lease or purchase agreement for a proposed Premises before you enter into such an agreement. We may condition our approval of any site your proposed as your future Premises on a number of conditions, including (i) you and the landlord of the Premises agreeing to enter into our prescribed form of Collateral Assignment of Lease and our then-current form of lease

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addendum (if any), and (ii) receiving a written representation from the landlord of the Premises that you will have the right to operate the Franchised Business, including subleasing/renting certain portions of the Premises to different beauty and wellness practitioners, throughout the term of your Franchise Agreement. (Franchise Agreement, Sections 5(F) and 6(A)). Under the Collateral Assignment of Lease, we will have the option, but not the obligation, to assume or renew the Lease for all or part of the remaining term of the Lease only if your Franchise Agreement or Lease is terminated, or subject to termination, for cause, or either your Franchise Agreement or Lease expires (and you do not renew in accordance with the respective terms of those agreements).

We will use reasonable efforts to approve or reject any proposed location within 30 days of the date you provide us with all requested materials. If we determine that an on-site evaluation is necessary, then you must submit to us in the form we specify a description of the site prior to our representative conducting its on-site evaluation, including evidence that the site satisfies our site selection guidelines and any other information and materials that we may reasonably require, including a letter of intent or other evidence that confirms your favorable prospects for obtaining the site, and reimburse us for the expenses incurred in connection with such an evaluation. If we do not provide our specific approval of a proposed location within this 30-day period, the proposed location will be deemed rejected. Our approval only means that the site meets our minimum requirements for a Franchised Business. (Franchise Agreement, Section 5(F)).

You must secure a Premises that we approve within 180 days of executing your Franchise Agreement for that Franchised Business or we may terminate that Franchise Agreement. (Franchise Agreement, Section 6(A)).

C. Time to Open

Traditional Restaurant (Non-Conversion)

Except as provided in this Item, you must open and commence operations of your Franchised Business within 12 months of the date you execute your Franchise Agreement for that Franchised Business. We estimate that it will take between eight (8) to 12 months to open your Franchised Business from the time you execute your Franchise Agreement. Your total timeframe may be shorter or longer depending on the time necessary to obtain an acceptable Premises, to obtain financing, to obtain the permits and licenses for the construction and operation of the Franchised Business, to complete construction or remodeling as it may be affected by weather conditions, shortages, delivery schedules and other similar factors, to complete the interior and exterior of the Franchised Business, including decorating, purchasing and installing fixtures, equipment and signs, and to complete preparation for operating the Franchised Business, including purchasing any inventory or supplies needed prior to opening. If you do not open or operate your Franchised Business within the 12-month period described above, then we may terminate your Franchise Agreement upon written notice (Franchise Agreement, Section 6(D)).

Conversion Restaurant

If you are operating a conversion Restaurant, we estimate that it will take thirty (30) to ninety (90) days from the date you sign your Franchise Agreement and Conversion Addendum to obtain the required signage, décor, trade dress and equipment, as well as complete our initial training program for conversion franchisees, and "re-open" your converted Restaurant utilizing our Proprietary Marks and System. If you do not open your conversion Restaurant within 90 days of executing your Franchise Agreement and Conversion Addendum, we may terminate your Franchise Agreement. (Section 3 of the Conversion Addendum).

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Development Agreement

If you have entered into a Development Agreement to open and operate multiple Franchised Businesses, your Development Agreement will include a Development Schedule containing a deadline by which you must have each of your Franchised Businesses open and operating. Your Development Schedule may depend on the number of Franchised Businesses you are granted the right to open and operate. (Development Agreement, Section 4(B) and 4(C)).

If you fail to open any Franchised Business within the appropriate time period outlined in the Development Agreement, we may terminate your Development Agreement. You will not have any further development rights within the Development Area upon termination of your Development Agreement, except to continue operating the Franchised Business(es) that were already open and operating as of the termination date. We must approve the Premises you choose for each Franchised Business you are required to open under the Development Agreement.

D. Post-Opening Obligations

1. We may require you and your Designated Manager to attend annual additional/refresher courses, as we deem necessary in our sole discretion ("Additional Training"). You will be required to pay our then-current training tuition fee, which is currently $250 per day (per trainee), for any Additional Training you and your employees attend. You will also be solely responsible for all expenses incurred in attending Additional Training. (Franchise Agreement, Section 5(D));

2. We may provide you with continuing consultation and advice, as we deem necessary in our sole discretion, regarding the management and operation of the Franchised Business. We may provide this assistance by telephone, facsimile, or intranet communication, as we deem advisable and subject to the availability of our personnel. (Franchise Agreement, Section 5(H));

3. We will approve or deny any advertising/marketing materials you wish to use in connection with your Franchised Business as described more fully below in this Item 11 under the heading "Advertising and Marketing." (Franchise Agreement, Section 5(I));

4. We will approve or disapprove your requests to: (i) purchase and/or offer non-approved products or services in connection with the Franchised Business; and (ii) make Required Purchases from suppliers other than our then-current Approved Suppliers. (Franchise Agreement, Section 6(K));

5. We may schedule and hold an annual conference, as we deem advisable in our sole discretion, to discuss the current state of the System, improvements to the System, hold discussion forums for System franchisees and recognize certain franchisees. In the event we schedule a conference, we may require you to attend for up to five (5) days each year. You will be responsible for the costs and expenses you incur in connection with any annual conference/convention (lodging, travel, meals, etc.), but we will not charge you an attendance/registration fee. (Franchise Agreement, Section 5(Q));

6. We will display the contact information of your Franchised Business on the website that we or our designee maintains to advertise and promote our System, Proprietary Marks, our brand generally and other System Restaurant locations, provided you are in compliance with the terms of your Franchise Agreement. Please see below in this Item 11 under the heading "Advertising and Marketing" for further information. (Franchise Agreement, Section 5(J));

7. We may administer and maintain our brand development Fund for the benefit of the System

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and our brand generally, as we deem necessary in our sole discretion. (Franchise Agreement, Section 5(M));

8. We may conduct, as we deem advisable in our sole discretion, inspections of the premises and audits of the Franchised Business and your operations generally to ensure compliance with our System standards and specifications as well as to consult in the development and growth of your Franchised Business. We may also prepare written reports outlining any recommended or required changes or improvements in the operations of the franchise, as we deem appropriate in our sole discretion, and detail any deficiencies that become evident as a result of any inspection or audit. If any inspection reveals any deficiencies, you will be responsible for our costs in conducting such inspection. (Franchise Agreement, Section 5(L));

9. We may supplement, revise or otherwise modify the Manuals, as we deem necessary or prudent in our sole discretion, which may, among other things, provide new operations concepts and ideas. We may provide you with these updates through various mediums, including mail, e-mail and our System-wide intranet. (Franchise Agreement, Section 2(G));

10. If we deem it appropriate, establish and maintain a Mystery Shops Program and/or Quality Assurance/Food Audits Program, as we deem appropriate in our discretion. (Franchise Agreement, Section 5(L));

11. We may: (i) research new recipes, ingredients, equipment, products, services and methods of doing business and provide you with information we have developed as a result of this research, as we deem appropriate in our sole discretion; and (ii) create and develop additional products and services to be offered or provided as Approved Products and Services (including catering services) at or from a System Restaurant, including any proprietary products and services sold under the marks we determine to designate. (Franchise Agreement, Section 2(G) and 5(K)).

E. Advertising and Marketing

All advertising and promotion materials that you use in connection with your Franchised Business must be approved by us and conform to the standards and requirements that we specify. We may make available to you from time to time, at your expense, certain promotional materials, including newspaper mats, coupons, merchandising materials, point-of-purchase materials, special promotions, and similar advertising and promotional materials. You must also participate in certain promotions and advertising programs that we establish as an integral part of our System, provided these activities do not contravene regulations and laws of appropriate governmental authorities. (Franchise Agreement, Section 9(A)).

If you wish to use any advertising or promotional materials other than those that we have previously approved or designated within the preceding 12 months, then you must submit the materials you wish to use to us for our prior written approval at least ten (10) days prior to publication. We will use commercially reasonable efforts to notify you of our approval or disapproval of your proposed materials within 30 days of the date we receive the materials from you. If you do not receive our written approval during that time period, however, the proposed materials are deemed disapproved, and you may not use such materials. Once approved, you may use the proposed materials unless we: (i) prescribe a different time period for use; or (ii) require you to discontinue using the previously approved materials in writing. We may require you to discontinue the use of any advertising or marketing material, including materials we previously approved, at any time. (Franchise Agreement, Section 9(B)). Except as otherwise provided in this Item, we are not required to spend any amount on advertising in your Designated Territory.

Grand Opening Advertising. You are required to expend $5,000 to promote and advertise the grand opening of your Franchised Business within your Designated Territory (the "Grand Opening Advertising

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Requirement"), and this amount must be expended during the thirty (30) days immediately before and sixty (60) days immediately following the opening of your Restaurant. (Franchise Agreement, Section 9(C)). If you own and operate a conversion Restaurant, you will be required to expend the Grand Opening Advertising Requirement in connection with the "re-opening" of your business as a Franchised Business. (Section 4(e) of the Conversion Addendum to the Franchise Agreement).

Local Advertising Requirement (or "LAR"). Recognizing the importance of promoting your Franchised Business within your Designated Territory and surrounding area, you must expend a minimum of one percent (1%) of the Gross Sales of your Restaurant each calendar month (based on the Gross Sales of the Franchised Business during the preceding calendar month) on local advertising and marketing (which is what we refer to as your "Local Advertising Requirement" or "LAR"). You must use only those materials that we have previously approved or designated, and we may require that you provide us with reports and other evidence of your local advertising expenditure each month. (Franchise Agreement, Section 9(D)).

Brand Development Fund. We have established a System-wide Advertising and Marketing Fund (the "Fund") for the benefit of the entire System of BUBBAKOO'S BURRITOS Restaurants. We intend to use the Fund to meet certain costs related to maintaining, administering, directing, conducting and preparing advertising, marketing, public relations, and/or promotional programs and materials, and any other activities which we believe will enhance the image of the System. Currently, we require you to contribute two percent (2%) of the Gross Sales of your Restaurant towards the Fund, however we reserve the right to increase this contribution to up to three percent (3%) of Gross Sales (the "Fund Contribution"). (Franchise Agreement, Section 9(E)). Our Affiliate-owned Restaurants currently contribute to the Fund in the same manner that each franchised Restaurant is required to contribute. We reserve the right to modify the terms on which these Affiliate-owned Restaurants are required to contribute to the Fund. Depending on the year a franchisee executed their franchise agreement, they may be required to contribute a different amount to the Fund. The Fund may be used for advertising materials/campaigns in printed materials or on radio or television for local, regional or national circulation, internet regional or national advertising, as we deem appropriate in our discretion. We and/or a regional or national advertising agency may be used to produce all advertising and marketing.

We will not be required to spend any of your Fund Contributions in the Designated Territory you are granted under your Franchise Agreement. Upon your written request, we may provide you with an unaudited financial statement accounting for the operation of the Fund. We are not required to have the Fund audited, but we may do so and use the Fund Contributions to pay for such an audit. We do not intend to use the Fund primarily to solicit new franchise sales. If we do not spend all Fund Contributions in a given year, any excess funds will roll over into the Fund for use during the following year. We will have the right to modify or discontinue the Fund (if established), as we deem appropriate in our sole discretion. In the past fiscal year, we did not collect any Fund Contributions because we had not yet established a Fund and, as a result, we cannot provide a breakdown of how such Fund Contributions were spent. (Franchise Agreement, Section 9(E)).

During our last fiscal year ending December 31, 2025, the Fund Contributions were expended as follows: 40% for social media; 30% for branding; 20% for advertisements and promotion; and 10% for administration.

Advertising Council. Currently, we have not established an advertising council (the "Advertising Council"), but we reserve the right to do so in the future. If we establish an Advertising Council, it will serve in an advisory capacity to us with respect to certain advertising expenditures, including providing advice/guidance on how to administer the Fund (if established in the future). At our discretion, the Advertising Council may be comprised of our management representatives, employees, you and/or other

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franchisees in the System. We will have the right to modify or dissolve an Advertising Council (if created) at any time. (Franchise Agreement, Section 9(F)).

With that said, Franchisor did establish a Franchisee Advisory Council ("FAC") comprised of five (5) System franchisees that serve as an advisory to us regarding the franchise system generally. [

Regional Advertising Cooperatives ("Cooperatives"). We reserve the right to establish regional advertising cooperatives that are comprised of a geographical market area that contain two (2) or more Restaurants (whether a Franchised Business or Affiliate-owned) (each a "Cooperative"). If we assign your Franchised Business to a Cooperative we establish, you must work with the other Restaurant owners in your Cooperative and us to develop and implement regional advertising campaigns designed to benefit all the Restaurants within the geographical boundaries of the Cooperative. We have not established any Cooperatives as of the and have not contemplated how much a Franchised Business might be required to contribute to such a Cooperative. If a Cooperative is established, any payment for a Regional Advertising Cooperative will be credited against your monthly Local Advertising Requirement, and the minimum amount you might be required to pay to the Cooperative will be zero and the maximum monthly contribution will be your Local Advertising Requirement for the month at issue. We will have the right to establish, modify, merge and dissolve Cooperative as we deem appropriate. Any amounts you expend on Cooperatives will be credited towards your Local Advertising Requirement. (Franchise Agreement, Section 9(H)).

Online Directories. As another means of advertising, you must ensure that the Franchised Business is listed in appropriate Internet-based telephone directories that we designate. You must ensure that your Franchised Business has a dedicated telephone line that is not used for any other purpose. (Franchise Agreement, Section 9(G)).

F. Computer System

We have the right to specify or require that you use certain brands, types, makes, and/or models of computer hardware and software in connection with the Franchised Business, including, without limitation, a laptop or other computer that meets our System specifications and is capable of running accounting software such as QuickBooks, printers and other peripheral hardware/devices, equipment necessary to maintain a physical, electronic or other security system for the Franchised Business that we designate, and a point-of-sale system from Revel (collectively, the "Computer System"). We may also require you to use designated software in connection with the Computer System and Franchised Business (the "Required Software"). (Franchise Agreement, Sections 4(C) and 6(J)).

Currently, the computer/laptop you use in connection with your Computer System must have the ability to access high-speed Internet (wirelessly), must have Windows XP, Vista or newer Windows operating system software installed, along with a Microsoft Office software suite containing Word and Excel, and must have the ability to run QuickBooks or similar accounting/bookkeeping software. The principal functions of the Computer System will be for bookkeeping, creating invoices, preparing materials, and for other general use in connection with the Franchised Business. We do not currently have any minimum requirements regarding the RAM storage that your computer/laptop must have, so long as the hardware you are using can perform the tasks outlined in this Item and the Manuals. The computer/laptop you use in connection with the Franchised Business may not be used for any other business purpose. We may modify our System standards and specifications for our Computer System and may otherwise require you to use any Required Software we designate. (Franchise Agreement, Sections 4(C), 5(J) and 6(J)).

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If you already have computer hardware and/or software that meets our then-current standards for a Computer System and/or Required Software, then you may use these items in connection with your Franchised Business provided you obtain our approval. Otherwise, we estimate the costs to purchase our current Computer System to be between $2,000 and $3,000. You must keep your Computer System in good maintenance and repair and install such additions, changes, modifications, substitutions, and/or replacements to the Computer System or Required Software as we direct from time to time in writing.
We estimate that you will spend approximately $2,000 to $3,000 annually on maintenance and support contracts for your Computer System, which includes any Technology Fee (described in Item 6) and upgrades.

You must have the components necessary to ensure that the entire Premises of the Franchised Business has access to the Internet via Wi-Fi connection and that guests may access your Wi-Fi network. We may require that you comply with our standards and specifications for Internet access and speed, and the Computer System be programmed to automatically transmit data and reports about the operation of the Franchised Business to us. We also have the right to, at any time without notice, electronically and independently connect with your Computer System to monitor or retrieve data stored on the Computer System (or for any other purpose we deem necessary). There are no contractual limitations on our right to access the information and data on any component of your Computer System.

You are also required to participate in any System-wide area computer network, intranet system, or extranet system that we implement, and may be required to use such networks or system to, among other things, submit your reports due under the Franchise Agreement to us online, view and print portions of the Manuals, download approved local advertising materials, communicate with us and other System franchisees, and complete certain components of any ongoing training we designate. (Franchise Agreement, Section 5(J)).

G. Website and Internet Use

Except as approved in advance in writing by us, you must not establish or maintain a separate website, splash page, profile or other presence on the Internet, or otherwise advertise on the Internet or any other public computer network in connection with the Franchised Business, including any profile on Facebook, MySpace, LinkedIn, Instagram, Pinterest, Twitter, YouTube or any other social media and/or networking site. Any such Internet website or presence is considered "advertising" and must be approved by us prior to use, as described in this Item. If we do permit you to establish one or more of the above presences on the Internet, you must establish and operate your World Wide Web or Internet site in accordance with System standards and any other policies we designate in the Manuals or otherwise in writing from time to time and utilize any templates that we provide to you to create and/or modify such site(s). (Franchise Agreement, Section 9(G)).

We have the right to establish and maintain a website, that may, without limitation, promote the Proprietary Marks and/or the System (the "Website"), including the contact information of your Franchised Business. We agree to establish an interior page on our corporate website to display the Premises and contact information associated with the Franchised Business for so long as the Franchised Business is open and actively operating, and the Franchise Agreement governing that Franchised Business is not subject to termination. We have sole control over all aspects of the Website, including without limitation its design, content, functionality, links to other websites, legal notices, and policies and terms of usage. We also have the right to discontinue operation of the Website at any time without giving notice to you. We have the right to modify our policies regarding your use of social media and Internet websites in connection with your Franchised Business as we deem necessary or appropriate in the best interest of the System. We (or our affiliate) are the sole registrant of the Internet domain name www.bubbakoos.com, as well as any other Internet domain names that we or our affiliates register in the future. You must not register any Internet

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domain name that contains words used in or similar to any brand name owned by us or our affiliates or any abbreviation, acronym, phonetic variation or visual variation of those words.

ITEM 12
TERRITORY

Premises and Relocation

You may only operate your Franchised Business from the Premises we approve. Once we agree on the Premises, we will designate it on the Data Sheet attached to your Franchise Agreement.

You may not relocate your Franchised Business without our written consent, which we will not unreasonably withhold provided the new location is located within your Designated Territory and meets our then-current criteria for a Premises, and you pay our then-current relocation fee. When considering a request for relocation, we may take into account the desirability of the proposed new location, its distance from other and future-planned franchised locations, the traffic patterns, security, cost, and the demographics of the area, as well as any other related factors we deem appropriate. We will not unreasonably withhold or approval of your relocation request, provided the location meets our site selection criteria. If you are operating a conversion Restaurant, you must operate your System Restaurant from the location of your existing restaurant, which we must approve in writing as part of our Conversion Criteria.

Designated Territory

Once you have secured the Premises of your Franchised Business, we will define the Designated Territory on the Data Sheet attached to your Franchise Agreement. Your Designated Territory will typically be a two (2) mile radius around your Premises, unless your Franchised Business is located in a major metropolitan downtown area or similarly situated/populated central business district (a "Central Business District"). If your Franchised Business is located in such a major metropolitan downtown area or Central Business District, your Designated Territory will be limited to either an area ranging from a two (2) block to two (2) mile radius around your Premises, or a geographical area containing a population of 30,000.

The size of your Designated Territory may vary from other System franchisees based on the location and demographics surrounding your Premises. The factors that we consider in determining the size of your Designated Territory include current and projected market demand, demographics and population based on our research and experience, median household income, presence of other businesses, location of competitors, traffic patterns, access and visibility, location of other Restaurants, our future development and other market conditions.

The boundaries of your Designated Territory may be described in terms of zip codes, streets, landmarks (both natural and man-made) or county lines, or otherwise delineated on a map attached to the Data Sheet. The sources we use to determine the population within your Designated Territory will be publicly available population information (such as data published by the U.S. Census Bureau or other governmental agencies and commercial sources).

Except as otherwise provided for in this Item, during the term of your Franchise Agreement, we will not open or operate or license a third party the right to open or operate, any other Restaurant utilizing the Proprietary Marks and System within your Designated Territory, provided that you are in substantial compliance with your Franchise Agreement. Your Designated Territory cannot be modified except by mutual written agreement signed by both parties.

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There are no territorial restrictions from accepting business from individuals or entities that reside/work or are otherwise based outside of your Designated Territory if these persons or entities contact you, and we do not typically restrict our other franchisees or Affiliate-owned Restaurants in this manner. You will not be required to pay us any additional consideration for accepting business from those that reside outside of your Designated Territory. With that said, you may not use alternative channels of distribution, such as the Internet, catalog sales, telemarketing or other direct marketing, to make any sales of Approved Products or Services outside of your Designated Territory. You are also prohibited from actively soliciting customers or advertising your Franchised Business outside of your Designated Territory without our prior written consent.

The Designated Territory you are granted under the Franchise Agreement is not "exclusive" because we have the right to open and operate Restaurants at Non-Traditional Sites within your Designated Territory. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Development Agreement: Development Area

If you are granted the right to open multiple Franchised Businesses under our form of Development Agreement, then we will provide you with a Development Area upon execution of this agreement. The size of your Development Area will substantially vary from other System developers based on the number of Franchised Businesses we grant you the right to open and operate and the location and demographics of the general area where we mutually agree you will be opening these locations. The boundaries of your Development Area may be described in terms of zip codes, streets, landmarks (both natural and man-made) or county lines, or otherwise delineated on a map attached to the Data Sheet.

Each Franchised Business you timely open and commence operating under our then-current form of franchise agreement will be operated from a distinct Premises located within the Development Area and within its own Designated Territory that we will define once the Premises for that Franchised Business has been approved.

We will not own or operate, or license a third party the right to own or operate, a Restaurant utilizing the Proprietary Marks and System within the Development Area until the earlier of the date we define the Designated Territory of the final Franchised Business you were granted the right to operate under the Development Agreement, or the expiration or termination of the Development Agreement for any reason.

The Development Area you are granted under the Development Agreement is not "exclusive" because we have the right to open and operate Restaurants at Non-Traditional Sites within your Development Area. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Upon the occurrence of any one of the events described in the preceding paragraph, your territorial rights within the Development Area will terminate, except that each Franchised Business that you have opened and are continuously operating as of the date of such occurrence will continue to enjoy the territorial rights within their respective Designated Territories that were granted under the Franchise Agreement(s) you entered into for those Franchised Business(es).

You must comply with your development obligations under the Development Agreement, including your Development Schedule, in order to maintain your exclusive rights within the Development Area. If you do not comply with your Development Schedule, we may terminate your Development Agreement and any further development rights you have under that agreement. Otherwise, we will not modify the size of your

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Development Area except by mutual written agreement signed by both parties.

Reserved Rights

We and our affiliates reserve the exclusive right to conduct the following activities under the Franchise Agreement and/or Development Agreement (as appropriate): (i) establish and operate, and license any third party the right to establish and operate, other Restaurants and Franchised Businesses using the Proprietary Marks and System at any location outside of your Designated Territory(ies) and, if applicable, Development Area; (ii) market, offer and sell products and services that are similar to the products and services offered by the Franchised Business under a different trademark or trademarks at any location, within or outside the Designated Territory(ies) and, if applicable, Development Area; (iii) use the Proprietary Marks and System, other such marks we designate, to distribute our Approved Products and/or Services in any alternative channel of distribution, within or outside the Designated Territory(ies) and, if applicable, Development Area (including the Internet and other e-commerce channels, wholesale stores, grocery stores, catalog sales, etc.); (iv) to acquire, merge with, or otherwise affiliate with, and after that own and operate, and franchise or license others to own and operate, any business of any kind, including, without limitation, any business that offers products or services the same as or similar to those offered by you through your Franchised Business (but under different marks), within or outside your Designated Territory(ies) and, if applicable, Development Area; (v) use the Proprietary Marks and System, and license others to use the Proprietary Marks and System, to engage in any other activities not expressly prohibited in your Franchise Agreement and, and, if applicable, Development Agreement; (vi) develop a catering program (as discussed below); and (vii) own and operate Restaurants in "Non-Traditional Sites" including, but not limited to, shopping centers, amusement parks, military bases, college campuses, corporate centers, seasonal locations, hospitals, hotels, kiosks, airports, sports arenas and stadia, train stations, travel plazas, toll roads and casinos, both within or outside your Designated Territory(ies) and, if applicable, Development Area.

The Franchise Agreement does not grant you any right to engage in any of the activities outlined in the preceding paragraph, or to share in any of the proceeds received by us, our affiliates or any third party from these activities, unless we otherwise agree in writing. Further, we have no obligation to provide you any compensation for soliciting or accepting orders inside your territory. We have the exclusive right to negotiate and enter into agreements or approve forms of agreements to operate Restaurants at Non-Traditional Sites, either directly or through our affiliates, licensees, or designees, and you will not be entitled to any compensation as a result of our operation of Restaurants at Non-Traditional Sites.

Additional Disclosures

Neither the Franchise Agreement nor the Development Agreement provide you with any right or option to open and operate additional Franchised Businesses (other than as specifically provided for in your Development Agreement if you are granted multi-unit development rights). Regardless, each Franchised Business you are granted the right to open and operate must be governed by its own specific form of Franchise Agreement.

We have not established other franchises or company-owned outlets or another distribution channel selling or leasing similar products or services under a different trademark. Neither we nor our Affiliate have established, or presently intend to establish, other franchised or company-owned businesses that sell our Approved Products and Services under a different trade name or trademark, but we reserve the right to do so in the future without your consent.

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ITEM 13
TRADEMARKS

We grant you a limited, non-exclusive license to use our primary mark BUBBAKOO'S BURRITOS® and certain other Proprietary Marks in connection with the operation of your Franchised Business only at your Premises and within your Designated Territory, provided you use these Proprietary Marks as outlined in your Franchise Agreement and our Manuals. You do not obtain any additional rights to use any of our Proprietary Marks under any Development Agreement you execute. PBKK has registered the following Proprietary Mark on the Principal Register of the United States Patent and Trademark Office ("USPTO"):

Mark	Registration Number	Registration Date
BUBBAKOO'S BURRITOS	3,752,820	February 23, 2010; renewed April 20, 2019
BUBBAKOO'S	6,100,485	July 14, 2020
BUBBAKOO'S BURRITOS (and design)	6,219,842	December 15, 2020

We will file all affidavits and other documents with the USPTO to maintain the federal registration described above. PBKK has licensed us the indefinite right to use the Proprietary Mark at Registration Number 3,752,820, as well as license franchisees to use this Proprietary Mark in connection with the franchise system. The License Agreement is perpetual in term and effective as of August 26, 2014, and this License Agreement cannot be terminated by PBKK unless we materially breach the terms of the License Agreement and fail to cure such default within the applicable cure period.

You must strictly comply with our standards, specifications, rules, requirements, and instructions regarding the use of the Proprietary Marks. The goodwill associated with our Proprietary Marks will remain our exclusive property, and you will receive no tangible benefit from our goodwill, except from the operation or possible sale of the Franchised Business during the term of the Franchise Agreement. Any increase in the goodwill associated with our Proprietary Marks during the term of the Franchise Agreement will benefit us. All rights to use our Proprietary Marks will automatically revert to us without cost and without the execution or delivery of any documents, upon the expiration or termination of your Franchise Agreement.

There is no litigation pending arising out of our Proprietary Marks, and we are not aware of any superior rights in, or infringing uses of, our Proprietary Marks that could materially affect your right to use these marks. Presently, there are not any effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, province, territory, or region, or any court adverse to our rights in the Proprietary Marks, nor are there any pending infringement, opposition or cancellation proceedings, or any material litigation, involving the Proprietary Marks. Lastly, besides the license agreement described above, there are no agreements in effect that significantly limit our right to use, or license the use of, the Proprietary Marks that are material to the franchise.

You may not use all or any portion of our Proprietary Marks as part of your company name and, without our prior written consent, as part of your trade name or "d/b/a". You may not modify the Proprietary Marks with words, designs or symbols, except those that we license to you. You may not use our Proprietary Marks in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us. During the term of the Franchise Agreement and continuing after the expiration or termination of the Franchise Agreement, neither you nor any of your managers will, directly or indirectly, contest, challenge or assist in the contesting or challenging of, our right, title, ownership, or interest in our Proprietary Marks, trade secrets, methods, procedures, and advertising techniques that are part of our franchise System, or contest our sole right to register, use, or license others to use, our Proprietary Marks,

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trade secrets, methods, procedures, advertising techniques, and any other mark or name that incorporates the term "Bubbakoo's" or any similar word.

You must immediately notify us, in writing, if you become aware of any unauthorized use of our Proprietary Marks or other proprietary information, and you must permit us to participate in any litigation involving you and our Proprietary Marks. We will take the action we think appropriate. We will indemnify, defend and hold you harmless in connection with any third-party claims that are brought against you that arise solely out of your authorized use of any Proprietary Marks in the manner we prescribe, provided you immediately notify us of the proceeding (within three (3) days) and you have complied with our directions with regard to the proceeding. We have the right to control the defense and settlement of any proceeding. We will not reimburse you for your expenses and legal fees for separate, independent legal counsel, unless we approve of your use of such counsel in writing prior to you engaging counsel. We will not reimburse you for disputes where we challenge your use of our Proprietary Marks.

You must modify or discontinue using any of the Proprietary Marks, and add new names, designs, logos or commercial symbols to the Proprietary Marks as we instruct. We may, at our sole discretion, impose changes whenever we believe the change is advisable. We do not have to compensate you for any costs you incur to make the changes we require. You will receive written notice of any change and will be given a reasonable time to conform to our directions (including changing signage, marketing displays, trade dress and other advertising), at your sole expense.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any registered patents or pending patent applications that are material to the franchise. We do, however, claim common law copyright and trade secret protection for several aspects of the franchise System including our Manuals, training materials, advertising, and business materials.

There are no current determinations, proceedings or litigation involving any of our copyrighted materials. Should you become aware that any unauthorized third party is using any of our copyrighted materials, we request that you notify us of such unauthorized use. We may revise our System and any of our copyrighted materials in our discretion and may require that you cease using any outdated copyrighted material. You will be responsible for printing any revised or new advertising, marketing or other business materials.

During the term of the Franchise Agreement and/or Development Agreement, you will receive information which we consider trade secrets and confidential information. You may not, during the term of the Franchise Agreement/Development Agreement or any time after that, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any of these trade secrets, copyrighted materials, methods and other techniques and know-how concerning the operation of the Franchised Business (the "Confidential Information"). You may divulge such Confidential Information only to your employees who must have access to it in order to perform their employment obligations.

You must require your Designated Manager and any personnel having access to any of our Confidential Information to sign our then-current form of Confidentiality and Non-Competition Agreement that is attached to the Franchise Agreement as an Exhibit, where these individuals agree that they will maintain the confidentiality of information they receive in connection with their employment and restrict their right to work for a competitor while they are employed by you. This confidentiality agreement, which will be in a form that we prescribe, will identify us as a third-party beneficiary to the agreement and will give us independent enforcement rights.

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The Franchise Agreement and Development Agreement provide that if you, your employees, or principals develop any new concept, process or improvement in the operation or promotion of any Franchised Business, you will promptly notify us and provide us with all necessary related information, without compensation. Any new concept, process or improvement will become our sole property and we will be the sole owner of all patents, patent applications, trademarks, copyrights and other intellectual property rights related to such new concepts. You and your principals will assign to us any rights you may have or acquire in new concepts you or your employees develop, including the right to modify such concept, process or improvement, and otherwise will waive and/or release all rights of restraint and moral rights to any new concepts you or your employees develop. You and your principals agree to assist us in obtaining and enforcing the intellectual property rights to any such concept, process or improvement in any and all countries and further agree to execute and provide us with all necessary documentation for obtaining and enforcing such rights. You and your principals will irrevocably designate and appoint us as your agent and attorney-in-fact to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property rights related to any such concept, process or improvement. In the event that these provisions in the Franchise Agreement and/or Development Agreement are found to be invalid or otherwise unenforceable, you and your principals will grant to us a worldwide, perpetual, non-exclusive, fully paid license to use and sublicense the use of the concept, process or improvement to the extent such use or sublicense would, absent the Franchise Agreement, directly or indirectly infringe on your rights to the new concepts.

We may revise any of our copyrighted materials at our discretion and may require that you cease using any outdated item or portion of the Manuals.

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

While we recommend that you personally participate and manage the day-to-day operations of your Restaurant, you may hire a Designated Manager to manage daily operations with our approval. Both you and your Designated Manager will be required to complete the Initial Training Program to our satisfaction (prior to undertaking any management responsibilities). We will not unreasonably withhold our approval of any Designated Manager you propose, provided the Designated Manager has (a) at least three (3) years of management experience in the quick casual restaurant industry, and (b) attended and successfully completed, to our satisfaction, our Initial Training Program to our satisfaction ("Management Criteria"). We may provide feedback on the performance of your Designated Manager, however, it is your sole responsibility to hire and/or fire the Designated Manager.

We do not require your Designated Manager to own any interest in the Franchised Business or Franchisee (if Franchisee is a business entity), but any and all Designated Manager(s) must sign our prescribed form of Confidentiality and Non-Competition Agreement. If and when a Designated Manager leaves his or her employment at your Franchised Business, you must recruit a new Designated Manager within thirty (30) days and submit the replacement's qualifications to us for our review and approval (which may be conditioned on completion of all Management Criteria) before substituting a new Designated Manager at any of your locations (unless you resume taking over the day-to-day operations of the Franchised Business on a full-time basis).

Your Restaurant must, at all times, be managed and staffed with at least one (1) individual who has successfully completed our Initial Training Program. In the event that you operate more than one Restaurant, you must have a properly trained Designated Manager at each Restaurant you own and operate.

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If and when a Designated Manager leaves his or her employment at the Restaurant, you must recruit a new Designated Manager within thirty (30) days and submit the replacement's qualifications to us for our review and approval before substituting a new Designated Manager at any of your locations.

You and your managers and employees must comply with the confidentiality provisions described in Item 14. You must execute a personal guaranty concurrently with the signing of the Franchise Agreement. If you are a legal entity, having more than one owner, all owners, shareholders, partners, joint venturers, and any other person who directly or indirectly owns an interest in the franchised business must execute a personal guaranty. Note that spouses of interest holders in the franchised business are required to execute a personal guaranty.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may only offer the Approved Products and Services that we expressly approve through your Restaurant, and may only offer these products and services at the Premises and in the manner prescribed in your Franchise Agreement and our Manuals. You may not use nor sell any products, materials, ingredients, supplies, paper goods, uniforms, fixtures, furnishings, signs, or equipment which does not meet our standards and specifications, unless approved in writing. We may supplement, revise and/or modify our Approved Products and Services as we deem appropriate from time to time, as well as our System standards and specifications associated with the provision of these products/services. These changes will be outlined in our Manuals or otherwise in writing, and there are no contractual limitations on our right to make these types of changes.

You must offer and sell all private label food and beverage items which we may now or in the future designate for sale by System franchisees, including prepackaged or frozen food and beverage items, and related merchandise. You agree that failure to offer and sell only approved products and services through the Restaurant is grounds for default under the Franchise Agreement.

You will prepare and present all menu items in accordance with our standards and specifications, using the ingredients and preparation techniques we prescribe. We have the right to require you to offer and sell additional goods or services as we may designate. There are no limits on our right to do so. You will at all times maintain sufficient levels of inventory to adequately satisfy consumer demand.

If we discontinue any Approved Product or Service offered by the Restaurant, then you must cease offering or selling such product/service within a reasonable time, unless such product/service represents a health or safety hazard (in which case you must immediately comply upon receipt of notice from us).

You may not use the Premises of your Restaurant for any other business purpose other than the operation of your Restaurant. In the event we authorize you to provide any catering services from your Restaurant, you will need to obtain any additional training we designate in connection with such catering services, and provide such catering services in accordance with our System standards and specifications and only within your Designated Territory (unless we agree otherwise in writing).

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ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

A. Franchise Agreement

	Provision	Section in Franchise Agreement	Summary
a.	Term of the Franchise	Section 3	The initial term is for ten (10) years commencing on the Effective Date set forth in the Franchise Agreement.
b.	Renewal or extension of the term	Section 3	You have the right to be considered for 2 additional (and successive) five (5) year renewal terms.
c.	Requirements for franchisee to renew or extend	Section 3	In order to renew (which means renewing your franchise relationship with us), you must: not have any uncured material defaults under your Franchise Agreement (including any monetary defaults) or any other agreement between you and us or the landlord of the Premises; not have received more than three (3) separate, written notices of material default from Franchisor with respect to this Agreement in the 12-month period preceding the renewal request date or renewal date; be in good financial standing; have continued right of possession to the Premises; complete required renovation and modernization of your Franchised Business; pay us our then-current Renewal Fee; execute our then-current form of franchise agreement (which may contain materially different terms and conditions than your original franchise agreement); complete our then-current refresher training course (typically 3 days) and pay the appropriate tuition fee (currently, $250/day per trainee); pay a renewal fee amounting to 10% of our then-current Initial Franchise Fee, and execute a general release in our favor (as well as related parties).
d.	Termination by franchisee	Not Applicable	Not Applicable
e.	Termination by franchisor without cause	Not Applicable	Not Applicable
f.	Termination by franchisor with "cause"	Section 15	We may terminate your Franchise Agreement with cause as described in (g)-(h) of this Item 17 Chart.
g.	"Cause" defined – curable defaults	Section 15(B) Section 15(C)	You must cure all monetary defaults under your Franchise Agreement within 10 days of being provided with notice by us, as well as the following defaults: failure to purchase any Required Item; failure to purchase from our Approved Suppliers; any purchase of a non-approved item or offering of a product/service at the Franchised Business that we have not authorized; failure to pay us, our Affiliates, or our Approved Suppliers any amount due, and failure to obtain any necessary permit/certificate/approval to operate the Franchised Business. If you receive notice that you have failed to provide us with access to your POS system, you must cure such a default within 3 days. Except as provided above and those defaults listed in (h) of this Item 17 Chart, you must cure all other defaults and violations of any provision of your

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	Provision	Section in Franchise Agreement	Summary
		Conversion Addendum: Section 8	Franchise Agreement or any other agreement with us or our affiliates within 30 days of being provided with notice of your default(s). A breach of any term of the Conversion Addendum will constitute a breach of the Franchise Agreement that must be cured within 30 days (unless a shorter time period is prescribed for that type of default in the Franchise Agreement).
h.	"Cause" defined - defaults which cannot be cured	Section 15(A) Section 15(B)	Your Franchise Agreement may be terminated automatically and without notice from us if: you become insolvent or make a general assignment for the benefit of creditors; a bankruptcy petition if filed by or against you and not dismissed within 30 days; a bill in equity or appointment of receivership is filed in connection with you or the Franchised Business; a receiver or custodian of your assets of property is appointed; a final judgment in the amount of $10,000 or more is entered against you and not satisfied within 60 days (or longer period if we consent); you attempt to make an invalid transfer in violation of Section 13 of your Franchise Agreement. Your Franchise Agreement may be terminated by us upon written notice and no opportunity to cure if: you commit and fraud or misrepresentation in connection with your Franchised Business; you or other required attendees fail to timely complete our Initial Training Program; you receive three (3) or more notices to cure the same or similar defaults under Section 15(C) of your Franchise Agreement in any 12-month period (whether or not subsequently cured); you violate any in-term restrictive covenants; you misuse the Proprietary Marks, Proprietary Information or other confidential information provided to you; misuse an proprietary software that might be developed; you fail to cure any default under any other agreement you have with our affiliates or any Approved Supplier within the appropriate cure period; you default under your lease for the Premises and fail to timely cure; you fail to open and commence operations within the required time period; you abandon your Franchised Business; you are convicted of a felony or any other crime of moral turpitude or offense that will adversely affect the System; you take any property of the Franchised Business for personal use; there are insufficient funds in your EFT Account on three (3) or more occasions in any 12-month period; or if you commit repeated violations of any applicable law.
i.	Franchisee's obligations on termination/non renewal	Section 16	Upon termination or early expiration of the Franchise Agreement, your obligations include: immediately discontinuing the use of the Proprietary Marks and trade dress; cease doing business in a form or manner that may give the general public the impression that you are operating a Franchised Business; return of the Manuals of any other Proprietary Information to us; provide us with all customer information, lists and applicable contracts; cancel or, at our option, assign us all telephone/facsimile numbers and domain names (if permitted) used in connection with the Franchised Business (as well as all related listings) to us or our designee; comply with all post-term restrictive covenants; at our written option, assign the lease for the Premises to us; pay us all outstanding amounts; comply with our option to purchase the business, if we so choose; and provide us with written confirmation of compliance with these obligations within 30 days.
j.	Assignment of contract by franchisor	Section 13	No restrictions on our right to assign.
k.	"Transfer" by franchisee – defined	Sections 13(A) and 13(C)	Includes any transfer of Franchise Agreement, assets of the Franchised Business, or ownership change in you.

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	Provision	Section in Franchise Agreement	Summary
l.	Franchisor approval of transfer by franchisee	Section 13(A)	We must approve all transfers, but we will not unreasonably withhold our approval if you meet our conditions.
m.	Conditions for franchisor approval of transfer	Section 13(E) Section 13(F)	We have the right to impose the following conditions on any transfer by you: all of your obligations under the Franchise Agreement have been satisfied; you cure all existing defaults; the new franchisee must meet our then-current qualifications and criteria for a new franchisee; transferee must assume all of your obligations under the Franchise Agreement; transferee must complete our training program; transferee must execute our then-current form of franchise agreement; transferee must pay our Transfer Fee and successfully complete our Initial Training Program (and pay the applicable training fee); and you must execute a general release in our favor (as well as related parties). You will not be required to pay any transfer fee in the event: (i) you wish to transfer your rights under the Franchise Agreement to a newly-established legal business entity that is wholly owned by you and established solely for purposes of operating the Franchised Business under that Franchise Agreement; or (ii) you are required to encumber certain assets of the Franchised Business (or subordinate Franchisor's security interest with respect to the Franchised Business) in order to receive SBA or other traditional bank financing, provided we otherwise approve of the transfer.
n.	Franchisor's right of first refusal to acquire franchisee's business	Section 13(D)	Except in certain circumstances (death/disability or transfer from individual franchisee to business entity), you must provide us with a period of 30 days to match any third-party bona fide offer to purchase any interest in the Franchise Agreement or Franchised Business. If we do not exercise this right, then you will have 60 days to effectuate the transfer to the third party that made the offer on those exact terms – if the transfer does not occur or the proposed terms of the offer change in any way, then we will have another 30 days to exercise our right of first refusal.
o.	Franchisor's option to purchase franchisee's business	16(G)	We have the right, but not the obligations, to purchase all or any portion of the assets of your Franchised Business upon expiration/termination of your Franchise Agreement at book value.
p.	Death or disability of franchisee	Section 13(B)	You will have a period of 90 days to find a suitable legal representative that we approve to continue the operation of your Franchised Business, provided that person completes our Initial Training Program and pays the appropriate tuition fee. During this 90-day period, we may step in and operate the Franchised Business on your behalf and pay ourselves a reasonable amount to reimburse our costs associated with this operation on your behalf. We are not under any obligation to step in and operate your business during this period.
q.	Non-competition covenants during the term of the franchise	Section 14(A)	Neither you, your principals, guarantors, owners, or Designated Managers, nor any immediate family member of you, your principals, guarantors, owners, or Designated Managers, may: (i) own, operate, or otherwise be involved with, Competing Business (as defined in the Franchise Agreement); or (ii) divert, or attempt to divert, any prospective customer to a Competing Business.
r.	Non- competition covenants after the franchise is terminated or expires	Section 14(B)(1)	For a period of two (2) years after the termination/expiration/transfer of your Franchise Agreement, neither you, your principals, guarantors, owners, Designated Managers, nor any immediate family member of you, your principals, guarantors, owners, Designated Managers, may own, operate or otherwise be involved with any business that is involved in the licensing or franchising of Competing Businesses at any location within the United States where we can demonstrate we have offered this franchise offering.

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	Provision	Section in Franchise Agreement	Summary
		Section 14(B)(2)	For a period of two (2) years after the termination/expiration/transfer of your Franchise Agreement, neither you, your principals, guarantors, owners, Designated Managers, nor any immediate family member of you, your principals, guarantors, owners, Designated Managers, may own, operate or otherwise be involved with and Competing Business within a five (5) mile radius of: (i) the perimeter of your Designated Territory; or (ii) any other Restaurant location that exists or is under development as of the date your Franchise Agreement is terminated, expires or is transferred. During this two (2) year period, these parties are also prohibited from: (i) soliciting business from customers of your former Franchised Business; or (ii) contacting any of our suppliers/vendors for a competitive business purpose.
s.	Modification of the agreement	Section 18(D)	Your Franchise Agreement may not be modified, except by a writing signed by both parties. With that said, we may modify the System and Manuals as we deem appropriate in our discretion from time to time.
t.	Integration/merger clause	Sections 18 and 22	Only the terms of the Franchise Agreement and this Disclosure Document are binding (subject to state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable. Nothing in the Franchise Agreement or any related agreement is intended to disclaim the representations made in this Disclosure Document.
u.	Dispute resolution by arbitration or mediation	Section 21(B) Section 21(C)	You must first submit all dispute and controversies arising under the Franchise Agreement to our management and make every effort to resolve the dispute internally. At our option, all claims or disputes arising out of the Franchise Agreement must be submitted to non-binding mediation, which will take place in Wall, New Jersey. You must notify us of any potential disputes and we will provide you with notice as to whether we wish to mediate the matter or not. If the matter is mediated, the parties will split the mediator's fees and bear all of their other respective costs of the mediation.
v.	Choice of forum	Sections 21(D) and 21(E)	Subject to Sections 21(C) and 21(D) of the Franchise Agreement, all claims and causes of action arising out of the Franchise Agreement must be initiated and litigated to conclusion (unless settled) in the state court of general jurisdiction that is within or closest to Wall, New Jersey or, if appropriate, the USDC for the District of New Jersey (subject to state law).
w.	Choice of law	Section 21(A)	The Franchise Agreement is governed by the laws of the state of New Jersey, without reference to this state's conflict of laws principles (subject to state law).

B. Development Agreement

	Provision	Section in Development Agreement	Summary
a.	Term of franchise	6.1	The Development Agreement will commence on the Effective Date set forth in the Agreement and end on the earlier of (a) the last day of the calendar month that the final Franchised Business is required to be opened and operating under the Development Schedule or (b) the day that the final Franchised Business is opened.
b.	Renewal or extension of the term	Not Applicable	Not Applicable.

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	Provision	Section in Development Agreement	Summary
c.	Requirements for you to renew or extend	Not Applicable	Not Applicable.
d.	Termination by you	Not Applicable	Not Applicable.
e.	Termination by us without cause	Not Applicable	Not Applicable.
f.	Termination by us with cause	6.2	We may terminate your Development Agreement with cause.
g.	Cause defined - default which can be cured	Not Applicable	Not Applicable.
h.	Cause defined - default which cannot be cured	6.2	Your Development Agreement can be terminated by us if: (i) you cease to actively engage in development activities in the Development Area or otherwise abandon your development business for three (3) consecutive months, or any shorter period that indicates an intent by you to discontinue development of the Franchised Businesses within the Development Area; (ii) you become insolvent or are adjudicated bankrupt, or if any action is taken by Franchisee, or by others against you, under any insolvency, bankruptcy or reorganization act, or if you make an assignment for the benefit or creditors or a receiver is appointed by you; (iii) you fail to meet your development obligations under the Development Schedule for any single Development Period, and fail to cure such default within 30 days of receiving notice thereof; and (iv) any Franchise Agreement that is entered into in order to fulfill your development obligations under the Development Agreement is terminated or subject to termination by us, pursuant to the terms of that Franchise Agreement.
i.	Your obligations on termination/ non-renewal	Not Applicable	Not Applicable.
j.	Assignment of contract by us	8	We have the right to assign our rights under the Development Agreement.
k.	"Transfer" by you - definition	8	Any transfer in you (if you are an entity) or your rights/obligations under the Development Agreement.
l.	Our approval of transfer by franchisee	8	You may not transfer any rights or obligations under the Development Agreement without our prior written consent.
m.	Conditions for our approval of transfer	Not Applicable	Not Applicable.
n.	Our right of first refusal to acquire your business	Not Applicable	Not Applicable.
o.	Our option to purchase your business	Not Applicable	Not Applicable.
p.	Your death or disability	Not Applicable	Not Applicable.
q.	Non-competition covenants during the term of the franchise	Not Applicable	Nothing additional. Please see non-competition covenants set forth in your Franchise Agreement(s) entered into under the Development Agreement.
r.	Non-competition covenants after the franchise is terminated or expires	Not Applicable	Nothing additional. Please see non-competition covenants set forth in your Franchise Agreement(s) entered into under the Development Agreement.
s.	Modification of the Franchise Agreement	27	Any modification of the Development Agreement must be in writing and signed by both parties.

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	Provision	Section in Development Agreement	Summary
t.	Integration/ merger clauses	27	Only the terms of the Development Agreement are binding (subject to state law). Any representations or promises made outside of the disclosure document and the Development Agreement may not be enforceable.
u.	Dispute resolution by mediation	13	At our option, all claims or disputes between you and us must be submitted first to mediation in Wall, New Jersey in accordance with the American Arbitration Association's Commercial Mediation Rules then in effect and if mediation is not successful, then by litigation.
v.	Choice of forum	15	Subject to Sections 13 and 14 of the Development Agreement, all claims must be brought before a court of general jurisdiction nearest to Wall, New Jersey, or the United States District Court for the District of New Jersey. You consent to the personal jurisdiction and venue of these courts (subject to state law).
w.	Choice of law	9	The Development Agreement is governed by the laws of the New Jersey (subject to state law).

ITEM 18
PUBLIC FIGURES

We do not use any public figures to promote our franchise, but we reserve the right to use one in the future.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATION

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 any reasonable basis for the information, and if the information is included in the disclosure document. Financial information that differs from that included in Item 19 may only be given 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.

As of December 31, 2025, there were 135 franchised locations (each, a "**Franchised Location**" and, collectively, the "**Franchised Locations**") and 10 affiliate-owned locations (each, an "**Affiliate Location**" and, collectively, the "**Affiliate Locations**") open and in operation.

The Financial Performance Representations in this Item 19 contain: (i) certain Gross Sales (as defined in the Notes below) and other key performance indicator (or "**KPI**") information regarding the nine (9) Affiliate Locations that operated throughout the entire 2025 calendar year (the "**Measurement "Period**") in Part I; and (ii) certain Gross Sales information generated amongst the 116 Franchised Locations owned and operated pursuant to a franchise agreement with us in Part II of this Item.

Part I of this Item 19 excludes: (i) one (1) Affiliate Location that is located in a non-traditional location and only operates during events and with a limited menu; and (ii) the Franchised Locations.

Part II of this Item 19 excludes: (i) 18 Franchised Businesses that opened at some point during the Measurement Period and were not open throughout the entire Measurement Period; and (ii) one (1) Franchised Business that is seasonal.

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Specifically, this Item 19 is comprised of the following Parts:

- Part I of this Item details the Average, Median, High and Low KPIs generated over the Measurement Period amongst the nine (9) Affiliate Locations, namely: (i) Gross Sales; (ii) COGS, labor and occupancy costs incurred; and (iii) any fees we are required to estimate when disclosing this kind of information about an Affiliate Location to account for the recurring fees that an Affiliate Location would incur under our current franchise agreement – even though these Affiliate Location(s) are not required to actually pay us such fees and do not have a franchise agreement with us; and

- Part II of this Item details the Average, Median, High and Low Gross Sales generated over the Measurement Period amongst the 116 Franchised Locations.

Some of the potential differences between the Affiliate Locations and Franchised Locations discussed in this Item 19 and your Franchised Business are disclosed in the Notes following the Tables that appear in this Item.

The Gross Sales figures set forth in this Item were provided to us by the Affiliate Locations and Franchised Locations that reported the results to us or that we were able to otherwise acquire via the POS software associated with such locations. We will provide you with written substantiation for these financial performance representations upon reasonable request.

PART I: AVERAGE, MEDIAN AND OTHER INFORMATION REGARDING KPIs GENERATED AMONGST THE NINE (9) AFFILIATE-OWNED LOCATIONS OVER THE MEASUREMENT PERIOD

Number of Units in Category	9
Average Gross Sales	$1,014,734
Met or Exceeded Average Gross Sales	4 (or 44.4%)
Median Gross Sales	$916,088
Range of Gross Sales (High)	$1,474,514
Range of Gross Sales (Low)	$629,817

Average Food Costs	**Average Labor Costs**	**Average Occupancy Costs**	**Average Royalty Fee**	**Average Fund Contribution**
24.50%	31.50%	8.40%	6%	2%
Median Food Costs	**Median Labor Costs**	**Median Occupancy Costs**	**Median Royalty Fee**	**Median Fund Contribution**
23.2%	31.20%	8.20%	6%	2%
High Food Costs	**High Labor Costs**	**High Occupancy Costs**	**High Royalty Fee**	**High Fund Contribution**
35.60%	36.20%	15.20%	6%	2%
Low Food Costs	**Low Labor Costs**	**Low Occupancy Costs**	**Low Royalty Fee**	**Low Fund Contribution**
22.30%	28.70%	3.30%	6%	2%

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# of Locations that Met or Exceeded Average[1]	# of Locations that Met or Exceeded Average	# of Locations that Met or Exceeded Average	# of Locations that Met or Exceeded Average	# of Locations that Met or Exceeded Average
7 (or 77.77%)	6 (or 66.66%)	6 (or 66.66%)	All	All

Explanatory Note to Part I Chart Above:

1. For each column, the term "# of Locations that Met or Exceeded Average" for a given operating cost/expense category means the number of locations in the subset that had the same or a lower operating cost/expense (as a percentage of Gross Sales) than the average set forth in the Chart above.

PART II: AVERAGE, MEDIAN, HIGH, AND LOW GROSS SALES GENERATED AMONGST THE 116 FRANCHISED LOCATIONS

Number of Units in Category	116
Average Gross Sales	$938,646
Met or Exceeded Average Gross Sales	56 (or 46.7%)
Median Gross Sales	$846,928
Range of Gross Sales (High)	$1,904,103
Range of Gross Sales (Low)	$479,297

Explanatory Notes to Both Charts Above:

1. *General Notes Regarding Affiliate Locations.* Please note the following characteristics about the Affiliate Locations when considering the information above:

a. each of the Affiliate Locations are located in New Jersey or Florida;

b. the Affiliate Locations range from 1,300 sq. ft. to 3,500 sq. ft. in size with an average size of approximately 2,000 sq. ft. amongst all nine (9) Affiliate Locations (as disclosed in Item 1, our standard franchise offering recommends that a Franchised Business be around 1,500 to 2,000 sq. ft. in size);

c. the Affiliate Locations are not required to pay us an Initial Franchise Fee or Royalty Fee, in connection with their operations, but our Affiliates (a) currently contribute two percent (2%) of Gross Sales to the Fund (effective August 1, 2023), and (b) expend an amount on local advertising and promotion of the their respective Affiliate Locations that constitutes at least one percent (1%) of locations' collective Gross Sales (please recall that you will be required to expend 1% of the Gross Sales of your Franchised Business to comply with the Local Advertising Requirement under your Franchise Agreement); and

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d. all of the Affiliate Locations offer a menu that is substantially similar to the menu of Approved Products that we will authorize you to sell at your Franchised Business.

2. *Gross Sales Definition.* For purposes of this Item 19, the term "Gross Sales" for each Affiliate and Franchised Location means any and all revenue (including sales pre-discount) generated by that Affiliate or Franchised Location over the calendar month and/or measurement period at issue as reported to us by the Affiliate and Franchised Locations. We did not audit these reported figures.

3. *Average.* Average, also known as the "mean," means the sum of all data points in a set, divided by the number of data points in that set.

4. *Median*. Median means the data point that is in the center of all data points used. That number is found by examining the total number of data points and finding the middle number in that set. In the event the number of data points is an odd number, the median will be the center number. If the dataset contains an even number of data points, the median is reached by taking the two numbers in the middle, adding them together, and dividing by two.

5. *High and Low*. The high amount in a given subset is the largest or otherwise biggest number of all data points used in that subset. The low amount in a given subset is the smallest or otherwise lowest number of all data points used in that subset.

6. *Annual Food Cost and Annual Payroll Expenses Definition.* The Annual Food Cost figures disclosed in Part I above include all reported food costs for each of the Affiliate Locations for the 2025 calendar year. The Annual Food Cost does not include any costs associated with beverages or paper products. The Annual Payroll Expenses disclosed in Part I includes all reported annual payroll expenses (with the exception of health benefit contributions), inclusive of payroll taxes, vacation and any paid bonuses, as reported to us by each of the Affiliate Locations for the 2025 calendar year.

7. The figures provided in this Item exclude certain tax liabilities for which you will be responsible.

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

Other than the preceding financial performance representation, we do not make any additional 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 our management by contacting our corporate offices at 1670 Route 34 North, Suite 1C, Wall, New Jersey 07727, telephone number (732) 475-6644, the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20
Outlets and Franchisee Information

Table No. 1
System-wide Outlet Summary
For Years 2023 to 2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	86	102	+16
	2024	102	118	+16
	2025	118	135	+17
Company-Owned	2023	12	13	+1
	2024	13	12	-1
	2025	12	10	-2
Total Outlets	**2023**	**98**	**115**	**+17**
	2024	**115**	**130**	**+15**
	2025	**130**	**145**	**+15**

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2023 to 2025

State	Year	Number of Transfers
Florida	2023	0
	2024	1
	2025	6
Illinois	2023	1
	2024	0
	2025	0
Maryland	2023	0
	2024	0
	2025	1
New Jersey	2023	3
	2024	3
	2025	2
Ohio	2023	0
	2024	0
	2025	1
Pennsylvania	2023	0
	2024	2
	2025	0
Total	**2023**	**4**
	2024	**6**
	2025	**10**

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Table No. 3
Status of Franchised Outlets
For years 2023 to 2025

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Arizona	2023	1	0	1	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
California	2023	2	0	2	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
Connecticut	2023	0	3	0	0	0	0	3
	2024	3	1	0	0	0	0	4
	2025	4	2	0	0	0	0	6
Delaware	2023	0	0	0	0	0	0	0
	2024	0	2	0	0	0	0	2
	2025	2	0	0	0	0	0	2
Florida	2023	10	4	0	0	0	0	14
	2024	14	3	0	0	0	0	17
	2025	17	0	0	0	0	0	17
Georgia	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	2
	2025	2	1	0	0	0	0	3
Illinois	2023	3	0	0	0	0	0	3
	2024	3	1	2	0	0	0	2
	2025	2	0	0	0	0	0	2
Indiana	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Kentucky	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Maryland	2023	1	1	0	0	0	0	2
	2024	2	6	0	0	0	0	8
	2025	8	6	0	0	0	0	14

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State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Massachusetts	2023	1	0	0	0	0	0	1
	2024	1	0	1	0	0	0	0
	2025	0	0	0	0	0	0	0
Michigan	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Nevada	2023	1	0	0	0	0	0	1
	2024	1	0	1	0	0	0	0
	2025	0	0	0	0	0	0	0
New Hampshire	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	2
	2025	2	0	0	0	0	0	2
New Jersey	2023	42	2	1	0	1	0	42
	2024	42	2	1	0	0	1	42
	2025	42	0	0	0	0	0	42
New York	2023	8	2	0	0	0	0	10
	2024	10	2	0	0	0	0	12
	2025	12	2	1	0	0	0	13
Ohio	2023	7	5	0	0	0	0	12
	2024	12	1	0	0	0	0	13
	2025	13	0	0	0	0	0	13
Pennsylvania	2023	4	3	0	0	0	0	7
	2024	7	2	0	0	0	0	9
	2025	9	2	0	0	0	0	11
Tennessee	2023	2	0	0	0	0	0	2
	2024	2	1	0	0	0	0	3
	2025	3	2	0	0	0	0	5
Utah	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	2	0	0	0	0	2
West Virginia	2023	1	0	0	0	0	0	1
	2024	1	0	1	0	0	0	0
	2025	0	0	0	0	0	0	0

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State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Total	**2023**	**86**	**21**	**4**	**0**	**1**	**0**	**102**
	2024	**102**	**23**	**6**	**0**	**0**	**1**	**118**
	2025	**118**	**18**	**1**	**0**	**0**	**0**	**135**

Table No. 4
Status of Company-Owned Outlets
For years 2023 to 2025

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Florida	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1
New Jersey	2023	11	0	1	0	0	12
	2024	12	0	0	0	1	11
	2025	11	0	0	2	0	9
Total	**2023**	**12**	**0**	**1**	**0**	**0**	**13**
	2024	**13**	**0**	**0**	**0**	**1**	**12**
	2025	**12**	**0**	**0**	**2**	**0**	**10**

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Table No. 5
Projected Openings as of December 31, 2025

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in The Next Fiscal Year	Projected New Company-Owned Outlets In the Next Fiscal Year
Connecticut	2	1	0
Delaware	2	3	0
Florida	4	3	0
Georgia	2	2	0
Indiana	1	1	0
Maryland	4	4	0
Massachusetts	2	1	0
Michigan	2	1	0
New Jersey	6	3	0
New York	3	4	0
North Carolina	2	2	0
Ohio	1	1	0
Pennsylvania	3	2	0
Virginia	1	1	0
Total	**35**	**30**	**0**

A list of the names of all franchisees and the addresses and telephone numbers of their respective businesses is provided in Exhibit J to this Franchise Disclosure Document, and as a list of any franchisees that have been canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business, as well as any franchisees that have not communicated with us within the ten-week period immediately preceding the issue date of this Franchise Disclosure Document is provided in Exhibit K. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

During the last three years, in some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with Bubbakoo's. 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 is presently no trademark specific franchisee organization associated with the System that requires disclosure in this Item.

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ITEM 21
FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit E are the audited consolidated financial statements of Rocket Group Holdings, LLC and Subsidiaries for the period from June 17, 2025 (commencement of operations) through January 4, 2026. Rocket Group Holdings, LLC guarantees our performance. A copy of the guarantee of Rocket Group Holdings, LLC is attached as Exhibit F.

ITEM 22
CONTRACTS

The following agreements are attached as Exhibits to this Franchise Disclosure Document:

Franchise Agreement (and Exhibits)	Exhibit B
Area Development Agreement (and Exhibits)	Exhibit C
Conversion Addendum	Exhibit D
State Specific Addenda	Exhibit G
Sample Release Agreement	Exhibit I
Franchisee Questionnaire	Exhibit L

ITEM 23
RECEIPTS

Exhibit N of this Franchise Disclosure Document contains a detachable document, in duplicate, acknowledging receipt of this Franchise Disclosure Document by a prospective franchisee. You should sign both copies of the Receipt. You should retain one signed copy for your records and return the other signed copy to: Chris Ives at Bubbakoo's Franchise Systems, LLC, 1670 Route 34 North, Suite 1C, Wall, New Jersey 07727, or at telephone number (732) 475-6644.

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EXHIBIT A
TO THE BUBBAKOO'S FRANCHISE SYSTEMS, LLC
FRANCHISE DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

LIST OF STATE ADMINISTRATORS

California Department of Financial
Protection and Innovation
WEBSITE: www.dfpi.ca.gov
EMAIL: ask.DFPI@dfpi.gov

TOLL FREE 1-(866) 275-2677

LA Office
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344
(213) 576-7500

Sacramento Office
651 Bannon Street, Suite 300
Sacramento, CA 95811
(866) 275-2677

San Diego Office
1455 Frazee Road, Suite 315
San Diego, CA 92108
(619) 525-4233

San Francisco Office
One Sansome St., #600
San Francisco, CA 94104
(415) 972-8559

Florida Department of Agricultural
and Consumer Services
Division of Consumer Services
Mayo Building, Second Floor
Tallahassee, Florida 32399-0800
(904) 922-2770

Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 205
Honolulu, HI 96813
(808) 586-2722

Illinois Attorney General
500 South Second Street
Springfield, IL 62706
(217) 782-4465

Indiana Secretary of State
Securities Division
302 West Washington Street, Room E-11
Indianapolis, IN 46204
(317) 232-6681

Kentucky Office of the Attorney General Consumer
Protection Division
P.O. Box 2000
Frankford, KY 40602
(502) 573-2200

Maryland Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202
(410) 576-6360

Michigan Attorney General's Office
Consumer Protection Division
Attn: Franchise Section
525 W. Ottawa Street
G. Mennen Williams Building, 5th Floor
Lansing, MI 48933
(517) 335-7567

Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, MN 55101-2198
(651) 539-1500

Nebraska Department of Banking and Finance
1200 North Street, Suite 311
P.O. Box 95006
Lincoln, NE 68509-5006
(402) 471-3445

NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8236

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North Dakota Insurance & Securities Department
600 East Boulevard Avenue
Bismarck, ND 58505-0510
(701) 328-2910

Oregon Division of Financial Regulation
350 Winter Street, NE, Room 410
Salem, OR 97301
(503) 378-4140

Rhode Island Department of Business Regulations
Securities Division
1511 Pontiac Avenue
John O. Pastore Complex Building 69-1
Cranston, RI 02920
(401) 462-9500

South Dakota Division of Insurance –
Securities Regulation
124 S. Euclid, Suite 104
Pierre, SD 57501-2017
(605) 773-5953

Statutory Document Section
Texas Secretary of State
P.O. Box 12887
Austin, TX 78711
(512) 475-1769

State of Utah
Division of Consumer Protection
P.O. Box 45804
Salt Lake City, Utah 84145-0804
(801) 530-6601

State Corporation Commission
Division of Securities and Retail Franchising
Tyler Building
1300 East Main Street, 9th Floor
Richmond, VA 23219
(804) 371-9051

Washington Department of Financial Institutions
Securities Division
150 Israel Road, SW
Tumwater, WA 98501
(360) 902-8760

Wisconsin Department Financial Institutions
4822 Madison Yards Way, North Tower
Madison, WI 53703
(608) 266-9555

AGENTS FOR SERVICE OF PROCESS

Attn: Chris Ives, CEO
Bubbakoo's Franchise Systems, LLC
1670 Route 34 North, Suite 1C
Wall, New Jersey 07727

California Commissioner of the Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344
(213) 576-7500

Commissioner of the Department of Financial Protection and Innovation
2101 Arena Boulevard
Sacramento, CA 95834
(916) 576-4941

Commissioner of the Department of Financial Protection and Innovation
1455 Frazee Road, Suite 315
San Diego, CA 92108
(619) 525-4233

Commissioner of the Department of Financial Protection and Innovation
One Sansome St., #600
San Francisco, California 94104
(415) 972-8559

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
(808) 586-2722

Illinois Attorney General
500 South Second Street
Springfield, IL 62706
(217) 782-4465

Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, IN 46204
(317) 232-6681

Maryland Securities Commissioner
Office of Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202-2020
(410) 576-6360

Michigan Attorney General's Office
Consumer Protection Division
Attn: Franchise Section
G. Mennen Williams Building, 5th Floor
525 West Ottawa Street
Lansing, Michigan 48933
(517) 335-7567

Commissioner of Commerce
Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, MN 55101-2198
(651) 539-1500

New York Department of State
Attention: New York Secretary of State
One Commerce Plaza,
99 Washington Avenue, 6th Floor
Albany, NY 12231
(518) 473-2492

Insurance Commissioner
North Dakota Insurance & Securities Department
600 E. Boulevard Avenue
Bismarck, ND 58505
(701) 328-2910

Director, Department of Business Regulation
Division of Securities
1511 Pontiac Avenue
John O. Pastore Complex, Building 69-1
Cranston, RI 02920
(401) 462-9500

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EXHIBIT B
TO THE BUBBAKOO'S FRANCHISE SYSTEMS, LLC
FRANCHISE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

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Exhibit A: Data Sheet
Exhibit B: Form of Personal Guaranty
Exhibit C: Form of Landlord Consent and Agreement
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Exhibit E: Form of Confidentiality and Non-Competition Agreement
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BUBBAKOO'S FRANCHISE SYSTEMS, LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "Agreement") is made and entered into on _____ (the "Effective Date"), by and between: (i) Bubbakoo's Franchise Systems, LLC, a Delaware limited liability company with its principal place of business at 1670 Route 34 North, Suite 1C, Wall, New Jersey 07727 (the "Franchisor"); and (ii) _____, a (resident of) (corporation organized in) (limited liability company organized in) _____ with a business address at _____ (the "Franchisee").

RECITATIONS

A. Franchisor and its affiliate/principals, as a result of the expenditure of time, skill, effort, and money, have developed and own a unique system (the "System") related to the development and operation of a quick casual restaurant featuring a menu of Mexican-inspired cuisine, including burritos, tacos, quesadillas, nachos, taco salads and "Chiwawas", along with other specialty items, sides, desserts, beverages and menu items that Franchisor authorizes (collectively, the "Approved Products"), utilizing the System and proprietary marks (each, a "Restaurant").

B. Franchisor's System is comprised of various proprietary and, in some cases, distinguishing elements, including without limitation: proprietary methodology and procedures for the establishment and operation of a Restaurant; site selection guidance and criteria; specifications for the design, layout and construction of the interior of the Restaurant; standards and specifications for the furniture, fixtures and equipment located within a Restaurant; established relationships with approved or designated suppliers for certain products and services; and standards and specifications for advertising, bookkeeping, sales and other aspects of operating a Restaurant. The parties agree and acknowledge that Franchisor may change, improve, further develop, or otherwise modify the System from time to time as it deems appropriate in its discretion. Franchisee hereby acknowledges and agrees that: (i) while the System and Franchisor's related materials contain information that, in isolated form, could be construed as being in the public domain, they also contain significant proprietary and confidential information which makes the System unique as a whole; and (ii) the combined methods, information, procedures, and theories that make up the total System or are contained in the relevant manuals that are proprietary and confidential.

C. The System and Restaurants are identified by the mark BUBBAKOO'S BURRITOS, as well as certain other trade names, trademarks, service marks and trade dress that Franchisor designates for use in connection with each Restaurant (collectively, the "Proprietary Marks"), all of which Franchisor may modify, update, supplement or substitute in the future as Franchisor deems appropriate. The parties agree and acknowledge that Franchisor has established substantial goodwill and business value in its Proprietary Marks, expertise, and System.

D. Franchisor is in the business of granting qualified parties a franchise for the right to independently own and operate a single Restaurant utilizing the Proprietary Marks and System at a location that Franchisor approves in writing.

E. Franchisee recognizes the benefits derived from being identified with Franchisor, appreciates and acknowledges the distinctive and valuable significance to the public of the System and the Proprietary Marks, and understands and acknowledges the importance of Franchisor's high and uniform standards of quality, appearance, and service to the value of the System.

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F. Franchisee desires to acquire a non-exclusive franchise for the right to operate a single Restaurant from an approved location, and has submitted an application to obtain such a franchise from Franchisor.

G. Franchisor is willing to grant Franchisee the right to operate a Restaurant based on the representations contained in the franchise application and subject to the terms and conditions set forth in this Agreement.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the parties hereto, intending to be legally bound, do hereby agree as follows:

1. PREAMBLES, ACKNOWLEDGEMENTS AND REPRESENTATIONS OF FRANCHISEE

A. Franchisee acknowledges and represents that Franchisor, itself or through any officer, director, employee, or agent, has not made, and Franchisee has not received or relied upon, any oral, written, visual, express, or implied information, representations, warranties, guarantees, or promises regarding the amount of sales levels or income Franchisee might expect to earn from the franchise granted hereby, except as set forth in the Franchise Disclosure Document.

B. The business venture contemplated by this Agreement involves business risks.

C. Franchisee's success will be largely dependent upon Franchisee's ability as an independent businessperson.

D. Franchisee has received, read, and does understand this Agreement and any attachments.

E. Franchisee understands and agrees that the restaurant industry is highly competitive with constantly changing market conditions.

F. Franchisee acknowledges and agrees that Franchisor has fully and adequately explained each provision of this Agreement to Franchisee's satisfaction.

G. Franchisee has consulted with Franchisee's own advisors with respect to the legal, financial, and other aspects of this Agreement, the business franchised hereby, and the prospects for such business. Franchisee either has consulted with such advisors or has deliberately declined to do so.

H. Any written inquiries made to Franchisor by Franchisee pertaining to the nature of this franchise were answered in writing to the satisfaction of Franchisee.

I. Franchisee has had the opportunity and adequate time to independently investigate, analyze, and construe both the franchise being offered hereunder and the terms and provisions of this Agreement utilizing the services of legal counsel, accountants, and other advisors (if Franchisee so elects).

J. Any and all applications, financial statements, and representations submitted to Franchisor by Franchisee, whether oral or in writing, were complete and accurate when submitted and are complete and accurate as of the date of execution of this Agreement unless the same has been otherwise amended in writing. Franchisee states that he/she is not (a) presently involved in any business activity that could be considered competitive in nature, unless heretofore disclosed to Franchisor in writing, or (b) violating any existing contractual obligations by entering into this agreement.

K. Franchisee agrees not to contest, directly or indirectly, Franchisor's ownership, title, right, or interest in its names or Proprietary Marks, trade secrets, methods, procedures, know-how, or advertising techniques which are part of Franchisor's business, or contest Franchisor's sole right to register, use, or license others to use such names or Proprietary Marks, trade secrets, methods, procedures, or techniques.

L. Franchisee's signature to this Agreement has not been induced by any representation inconsistent with the terms of this Agreement or inconsistent with the Franchise Disclosure Document given to Franchisee by Franchisor.

M. Franchisee represents and warrants that Franchisee is not a party to or subject to any order or decree of any court or government agency which would limit or interfere in any way with the performance by Franchisee of the obligations under this Agreement and that Franchisee is not a party, and has not within the last ten (10) years been a party, to any litigation, bankruptcy, or legal proceedings other than those heretofore disclosed to Franchisor in writing.

N. Franchisee agrees and acknowledges that it is solely responsible for ensuring that: (i) it acquires and maintains all business licenses, permits and approvals, including those that are specifically required to offer and provide restaurant services that are necessary to operate the Franchised Business at the Premises (defined below) and within the Designated Territory (defined below); and (ii) the Franchised Business is otherwise operated in full compliance with all federal, state and local laws and regulations where the Franchisee is located.

O. Franchisee agrees and acknowledges that: (i) Franchisor may enter into franchise agreements with other franchisees that may contain provisions, conditions, and obligations that differ from those contained in this Agreement, including without limitation, franchise agreements for the operation of a Restaurant; and (ii) the existence of different forms of agreement and the fact that Franchisor and other franchisees may have different rights and obligations does not affect the parties' duty to comply with the terms of this Agreement.

2. GRANT OF FRANCHISE

A. **Grant of Franchise**. Franchisor hereby grants Franchisee, subject to the terms, conditions, and obligations of this Agreement, a non-exclusive right and license to use the Proprietary Marks and receive the other benefits of the System in connection with the establishment and operation of a single Restaurant (the "Franchised Business").

B. **Approved Premises; Site Selection Area**. The Franchised Business must be operated from a single location that Franchisor reviews and approves (the "Premises"). If the parties have not agreed on a Premises as of the date this Agreement is executed, Franchisor will designate a general marketing area (the "Site Selection Area") on the data sheet attached

to this Agreement as Exhibit A (the "Data Sheet") wherein Franchisee must locate and secure the Premises as detailed more fully in Section 6(A) of this Agreement. Franchisee acknowledges and agrees that: (i) it does not have any territorial rights within the Site Selection Area; (ii) Franchisor may permit other new franchisees to search for the location of their franchised Restaurant within the same Site Selection Area that is assigned to Franchisee under this Agreement if Franchisor determines in its discretion that the Site Selection Area is large enough to contain additional franchises; and (iii) potential locations for each franchised Restaurant, and resulting Designated Territories (as defined below), within the Site Selection Area will be reviewed and rejected/granted on a first-to-propose basis.

C. **Relocation of Premises**. Once the Franchisor approves the Premises of the Franchised Business, the location will be set forth in the Data Sheet. Franchisee may only use the Premises to operate the Franchised Business. Franchisee may not relocate the Franchised Business to any location other than the Premises without Franchisor's prior written consent, which Franchisor will not unreasonably withhold, provided: (i) Franchisee secures an alternate location for the Franchised Business within the Designated Territory (as defined below) that meets Franchisor's then-current site selection criteria for the premises of a Restaurant; and (ii) Franchisee pays Franchisor a relocation fee amounting to $2,000 prior to Franchisor's approval of the relocation.

D. **Designated Territory**. Upon locating and securing a Premises, Franchisor will designate a geographical area surrounding the Premises wherein Franchisor will not open or operate, or license a third party the right to open or operate, another Restaurant utilizing the System and Proprietary Marks (the "Designated Territory"), for so long as Franchisee is in compliance with this Agreement. The boundaries of the Designated Territory, once determined by Franchisor, will be described in the Data Sheet. Franchisee acknowledges that it does not have any other territorial rights within the Designated Territory.

E. **Rights Not Granted**. Franchisee acknowledges and agrees that this Agreement does not afford Franchisee any rights or options to open any additional Restaurants and that Franchisee does not have any right to sub-license or sub-franchise any of the rights granted hereunder. Franchisee may not use the Proprietary Marks or System for any purpose other than promoting and operating the Franchised Business at the Premises. Franchisor will have sole discretion as to whether it decides to grant Franchisee the right to open any additional Restaurants, each of which will be governed by a separate form of Franchisor's then-current franchise agreement.

F. **Reservation of Rights**. Notwithstanding anything contained in this Agreement, Franchisor and its affiliates hereby reserve the exclusive right to: (i) open and operate, and license third parties the right to open or operate, other Restaurants utilizing the Proprietary Marks and System outside the Designated Territory; (ii) market, offer and sell the Approved Products offered by the Franchised Business and other Restaurants through alternate channels of distribution, including without limitation, via the Internet and other e-commerce channels, grocery stores, direct mail or wholesale, at any location; (iii) acquire, or be acquired by, any company, including a company operating one or more businesses offering products or services offered by a Restaurant, located within or outside your Designated Territory, and subsequently operate (or license a third party the right to operate) these locations; (iv) open and operate, or license third parties the right to open or operate, businesses that offer products and services similar to the Franchised Business under marks other than the Proprietary Marks at any location; (v) open and operate, or license third

parties the right to open or operate Restaurants in non-traditional sites, including, but not limited to, sports and entertainment stadiums, arenas, entertainment complexes, malls, other shopping outlets, food courts, and train stations and airports, both within and outside of Franchisee's Designated Territory, with determination of what constitutes a non-traditional site subject to Franchisor's sole discretion; and (v) use, and license others the right to use, the Proprietary Marks and System to engage in any other activity not expressly prohibited by this Agreement.

G. **Modification of System**. Franchisor reserves the right to supplement, revise or otherwise modify the System or any aspect/component thereof, and Franchisee agrees to promptly accept and comply with any such addition, subtraction, revision, modification or change and make such reasonable expenditures as may be necessary to comply with any change that Franchisor makes to the System. Any change or modification that Franchisor makes to the System will not materially alter Franchisee's fundamental rights under this Agreement. Moreover, Franchisor will provide Franchisee with a reasonable amount of time to comply with any change or modification to the System once Franchisee has been notified of such change/modification in writing (via the Operations Manual or otherwise).

H. **Catering Services**. In the event Franchisor establishes a System-wide program for the provision of catering services by System franchisees, then Franchisor may grant Franchisee the right to provide such catering services within the Designated Territory, provided: (i) Franchisee completes any additional training that Franchisor establishes in connection with the provision of such catering services; (ii) Franchisee demonstrates that it has a vehicle that (a) bears Franchisor's Proprietary Marks in the manner Franchisor prescribes, and (b) is otherwise adequately insured as part of the Franchised Business operations and meets any other reasonably-imposed standards for vehicles used in connection with such catering services; and (iii) Franchisee is otherwise in material compliance with the terms of this Agreement at the time Franchisee requests the right to provide such catering services.

3. TERM AND RENEWAL

A. **Term**. Unless previously terminated pursuant to this Agreement, the term of this Agreement shall be for a period of ten (10) years ("Initial Term") commencing as of the Effective Date set forth in the Data Sheet attached hereto as Exhibit A.

B. **Renewal**. Franchisee may submit a request to renew this Agreement for up to two (2) additional, consecutive terms of five (5) years each, and must provide each request to renew no less than six (6) months and no more than twelve (12) months prior to the end of the then-current term. Failure to provide such notice to Franchisor will be deemed an indication that Franchisee does not wish to renew the franchise relationship. Franchisor shall not unreasonably withhold its approval of such requests for renewal, provided Franchisee complies with the following conditions:

1. Franchisee must not have: (i) any uncured material defaults under this Agreement (including any monetary defaults) or any other agreement between Franchisee and Franchisor or the landlord of the Premises, either at time of Franchisee's renewal request or at the time of renewal; and (ii) received more than three (3) separate, written notices of material default from Franchisor with respect to this Agreement in the 12-month period preceding the renewal request date or renewal date.

2. Franchisee must execute Franchisor's then-current form of franchise agreement, which may contain materially different terms and conditions from those contained in this Agreement, within thirty (30) days of the date Franchisee is provided with Franchisor's then-current form of franchise agreement.

3. Franchisee pays Franchisor a renewal fee amounting to ten percent (10%) of Franchisor's then-current Initial Franchise Fee, at least ninety (90) days prior to the expiration of the then-current term. Franchisee will not be required to pay an additional Initial Franchisee Fee (as defined in Section 4) upon renewal.

4. Franchisee and/or the Designated Manager (as defined in this Agreement and as applicable) attends any training refresher course prescribed by Franchisor at least thirty (30) days before the expiration of the then-current term of this Agreement, and pays Franchisor's then-current refresher training tuition fee for each attending trainee. Franchisee will also be responsible for all expenses incurred in connection with attending this refresher training.

5. Franchisee executes a general release under seal, in a form satisfactory to Franchisor, of any and all claims it may have against Franchisor and its officers, directors, shareholders, and employees in their corporate and individual capacities, including without limitation, all claims arising out of or related to (a) this Agreement, or (b) any federal, state, or local law, rule, or ordinance.

6. Franchisee must have participated in and supported the training procedures, purchasing, marketing, advertising, promotional, and other operational and training programs recommended or provided by Franchisor to the satisfaction of Franchisor.

7. Franchisee or transferee agrees, at its sole cost and expense, to re-image, renovate, refurbish, and modernize the Premises and Franchised Business within the time frame required by Franchisor, including the design, equipment, signs, interior and exterior décor items, displays, inventory assortment and depth, fixtures, furnishings, trade dress, color scheme, presentation of trademarks and service marks, supplies, and other products and materials, as necessary to meet Franchisor's then-current System standards, specifications, and design criteria for a newly opened BUBBAKOO'S BURRITOS Restaurant.

4. FEES AND PAYMENTS

A. **Fees**. In consideration of the rights and license granted herein, Franchisee shall pay the following amounts:

1. Upon execution of this Agreement, Franchisee must pay Franchisor an initial franchise fee of Thirty-Five Thousand Dollars ($35,000.00) (the "Initial Franchise Fee"). The parties acknowledge and agree that the Initial Franchise Fee will be deemed fully earned and non-refundable under any circumstances upon payment.

2. On or before the Tuesday of each week the Franchised Business is open and operating (and/or required to be open and operating under this Agreement), Franchisee must pay Franchisor an ongoing royalty fee amounting to six percent (6%) of the Gross Sales (as defined in Section 4(D)) generated by the Franchised

Business in the preceding week (the "Royalty Fee") beginning Monday when the Franchised Business opens and ending Sunday when the Franchised Business closes (the "Business Week").

3. Franchisor has established a System-wide marketing fund (the "Fund"), and Franchisee is required to make a weekly contribution to this Fund on or before Tuesday of each week amounting to up to three percent (3%) of the Gross Sales (as defined in this Section 4(D)) generated by the Franchised Business in the preceding Business Week.

4. If Franchisor allocates certain portions of the Fund to create/product advertising materials to be used by System franchisees, then Franchisee must cover the costs associated with shipping such materials to the Restaurant.

5. In connection with the required computer software to be used in connection with the point-of-sale system at the Restaurant (the "POS System"), Franchisee shall pay the then-current license and support fees charged by third party providers in connection with such POS System.

6. In connection with the required guest loyalty platform, you must pay us or our designated provider the then-current loyalty platform fee, which is currently $150 per month (the "Loyalty Fee").

7. All other training/tuition fees, evaluation fees, as well as all amounts necessary to purchase marketing materials, inventory or other supplies from Franchisor or its affiliates must be paid on an ongoing basis, as described more fully in this Agreement.

B. **Method of Payment**. With the exception of the Initial Franchise Fee, Franchisee shall pay all fees and other amounts due to Franchisor and/or its affiliates under this Agreement through an electronic funds transfer program (the "EFT Program"), under which Franchisor automatically deducts all payments owed to Franchisor under this Agreement, or any other agreement between Franchisee and Franchisor or its affiliates, from the bank account Franchisee provides to Franchisor for use in connection with EFT Program (the "EFT Account"). Franchisee shall immediately deposit all revenues from operation of the Franchised Business into this bank account immediately upon receipt, including cash, checks, and credit card receipts. At least ten (10) days prior to opening the Franchised Business, Franchisee shall provide Franchisor with: (i) Franchisee's bank name, address and account number; and (ii) a voided check from such bank account. Contemporaneous with the execution of this Agreement, Franchisee shall sign and provide to Franchisor and Franchisee's bank, all documents, including Franchisor's form of EFT Authorization Form attached as Exhibit D to this Agreement, necessary to effectuate the EFT Program and Franchisor's ability to withdraw funds from such bank account via electronic funds transfer. Franchisee shall immediately notify Franchisor of any change in Franchisee's banking relationship, including any change to the EFT Account.

C. **Access to Computer System**. Franchisor may, without notice to Franchisee, have the right to independently and remotely access and view Franchisee's computer system used in connection with the Franchised Business (the "Computer System") via the Internet, other electronic means or by visiting the Restaurant, in order to obtain Gross Sales, tenant occupancy rates and other available information that Franchisor reasonably requests about

the Franchised Business. Franchisee hereby consents to Franchisor using and disclosing to third parties (including, without limitation, prospective franchisees, financial institutions, legal and financial advisors), for any purpose or as may be required by law, any financial or other information contained in or resulting from information, data, materials, statements and reports received by Franchisor or disclosed to Franchisor in accordance with this Agreement. Franchisee must obtain and use the Computer System hardware, software and other components that Franchisor prescribed for use in connection with the Franchised Business, and utilize and participate in any intranet/extranet that Franchisor establishes in connection with the System.

D. **Gross Sales**. "Gross Sales" means the total revenue generated by Franchisee's Restaurant, including all revenue generated from the sale and provision of any and all Approved Products and Services offered at Franchisee's Restaurant, as well as all proceeds from any business interruption insurance related to the non-operation of your Franchised Business. "Gross Sales" does not include (a) tips received by employees of the Franchised Business, (b) any sales and equivalent taxes that are collected by Franchisee for or on behalf of any governmental taxing authority and paid thereto, or (c) the value of any allowance issued or granted to any client of the Franchised Business that is credited in good faith by Franchisee in full or partial satisfaction of the price of the Approved Products or Services offered in connection with the Franchised Business.

E. **Gross Sales Reports**. On or before Monday of each week, Franchisee must send Franchisor a signed Gross Sales report (a "Gross Sales Report") detailing the following information: (i) Gross Sales of the Franchised Business from the preceding Business Week; (ii) Franchisee's calculated Royalty Fee and Fund Contribution (if appropriate) based on the Gross Sales from the preceding Business Week; and (iii) any other information Franchisor may require for that reporting period. Franchisor may, as it deems necessary in its sole discretion, change the form and content of the Gross Sales Reports from time to time. The parties agree and acknowledge that Franchisor may modify the interval at which it collects Franchisee's Royalty Fee, Fund Contribution and other recurring fees under this Agreement upon written notice (i.e., Franchisor may provide Franchisee with notice that it will be collecting these fees on a monthly rather than weekly basis). In such event, Franchisee's reporting obligations may also be modified by Franchisor accordingly.

F. **Late Payments**. If any payment due under this Agreement is not received by Franchisor by the scheduled date due, Franchisee shall be in default under this Agreement. If any payment is overdue, Franchisee shall pay interest to the Franchisor, in addition to the overdue amount, at a rate of one and one-half percent (1.5%) per month, beginning from the date of non-payment or underpayment, until paid. Entitlement to collect such interest shall be in addition to any and all other remedies Franchisor may have. Franchisee agrees to pay One Hundred Dollars ($100.00) for each check given or electronic transfer made to Franchisor that is dishonored, fails to process, or is returned.

G. **Taxes Owed by Franchisee**. No payments to be made to Franchisor by Franchisee, whether for royalties, advertising, merchandise, special programs, or otherwise, may be reduced on account of the imposition by any federal, state, or local authority of any tax, charge, or assessment, or by any claim Franchisee may have against Franchisor. All taxes, charges, or assessments shall be paid by Franchisee to the taxing authorities when due, in addition to the amounts due to Franchisor.

H. **Gross Sales Report Late Fee**. In the event Franchisee fails to provide to Franchisor any financial report, Gross Sales Report or other report which Franchisee is obligated by this Agreement to provide to Franchisor when such report is due and this failure continues for a period of ten (10) days after the date when due, regardless of the date when mailed, Franchisee shall pay to Franchisor a late fee with respect to each such report in the amount of Ten Dollars ($10.00) per day beginning with the eleventh (11th) day after the date when the report was due. The imposition of late reporting fees shall be in addition to, and not in lieu of, any other remedy available to Franchisor for failure to report.

I. **Security Interest**. Franchisee hereby grants to Franchisor a security interest in all of Franchisee's interests in the real estate where the franchise is located (if Franchisee purchases its Premises), as well as all improvements to that real estate. Franchisee further grants to Franchisor a security interest in all furniture, furnishings, equipment, fixtures, inventory, and supplies located at or used in connection with the Franchised Business, whether now or hereafter leased or acquired, together with all attachments, accessions, accessories, additions, substitutions, and replacements therefore, as well as all cash and non-cash proceeds derived from insurance, the disposition of any such collateral to secure payment and performance of all debts, liabilities, and obligations of any kind of Franchisee to Franchisor under this Agreement, whenever and however incurred, any promissory note given by Franchisee to Franchisor, or any other agreement between them. Franchisee hereby authorizes Franchisor to file and record all financing statements, financing statement amendments, continuation financing statements, fixture filings, and other documents necessary or desirable to evidence, perfect, and continue the priority of the security interests granted herein. Franchisee agrees and understands that it must promptly execute and deliver any such documents to Franchisor upon request.

1. Notwithstanding anything contained in Section 4(I) of the Franchise Agreement to the contrary, Franchisee does not grant Franchisor any security interest in any real property associated with the Franchised Business if such real property is being leased by the Franchisee.

2. The parties agree that Franchisor will not execute on any security interest granted to Franchisor under Section 4(I) of the Franchise Agreement unless Franchisee fails to cure a material default under the Franchise Agreement within the applicable time period for cure after Franchisor has provided Franchisee with proper notice of such default(s).

J. **Inability to Operate Franchised Business**. If Franchisee is unable to operate the Franchised Business due to damage or loss to the Premises caused or created by a casualty, act of God, condemnation, or other condition over which Franchisee has no control, then Franchisor will waive the Royalty Fee due under this Agreement for a period of time that Franchisor reasonably determines is necessary for the Franchised Business to repair the damage/loss to the Premises and resume operations (or relocate the Franchised Business to a different approved location within the Designated Territory), with said waiver period not to exceed ninety (90) days commencing from the date Franchisee gives Franchisor notice of the damage or loss.

K. **Compliance with Gift Card Redemption Policies**. Franchisee agrees and acknowledges that Franchisor has set forth policies and guidelines regarding Franchisee's redemption of gift cards at the Franchised Business that were purchased at a BUBBAKOO'S BURRITOS Restaurant other than the Franchised Business (and vice versa), along with directives and

guidelines for how any compensation will be allocated amongst the Franchised Business and the other BUBBAKOO'S BURRITOS Restaurant(s) at issue. Franchisee agrees and acknowledges that such policies and guidelines may affect Franchisee's payment obligations under this Agreement, whether to Franchisor and/or to a different Restaurant location, but agrees to strictly comply with such directives, policies and guidelines as set forth and updated by Franchisor in the Manuals or otherwise in writing.

L. **Technology Fee**. Franchisee must pay an on-going technology fee to Franchisor to pay for certain aspects of Franchisee's computer system and/or software ("Technology Fee"). The Technology Fee is estimated to be between $100 to $300 per month and will not exceed $400 per month. Franchisor may designate and/or change the amount, scope, or manner of payment of the Technology Fee, including the party to whom payment is made, at any time providing reasonable notice to Franchisee.

5. DUTIES OF FRANCHISOR

A. **Initial Training Program**. Franchisor shall offer and make available an initial training program (the "Initial Training Program") for Franchisee and other management personnel Franchisee designates, provided the parties attend at the same time. One of the trainees must be Franchisee (or one of Franchisee's principals responsible for the Franchised Business if Franchisee is an entity) and, if applicable, one (1) of the other attendees must be Franchisee's designated manager that will be responsible for the day to day management of the Franchised Business (the "Designated Manager"). The Initial Training Program will be conducted at Franchisor's corporate headquarters or other facility that Franchisor designates, subject to the schedules and availability of Franchisor's training personnel. Franchisor will provide the Initial Training Program to additional owners of Franchisee or managers of the Franchised Business (subject to the availability of Franchisor's staff), provided Franchisee pays Franchisor its then-current additional training fee for each individual that attends in addition to the first two (2) individuals (as well as any expenses incurred). Franchisor reserves the right to charge Franchisee its then-current initial training fee ("Initial Training Fee") which is currently $250/day for each additional trainee that attends the Initial Training Program. If Franchisee is granted the right to operate multiple franchised businesses, then Franchisor may not, in its sole discretion, provide the same level of Initial Training with the second and each additional franchised business that Franchisor provided in connection with the first Franchised Business.

B. **On-Site Assistance Training**. As Franchisor deems appropriate in its discretion, Franchisor may provide on-site assistance and training at the Premises up to seven (7) days prior to the opening of the Franchised Business (the "On-Site Assistance Training"). Franchisor may determine, in its reasonable discretion, that Franchisee requires more than seven (7) days of On-Site Assistance Training if Franchisee or Franchisee's personnel are not able to demonstrate that they adequately understand and can follow the System standards and specification for operation as conveyed by Franchisor in the Initial Training Program and the first seven (7) days of On-Site Assistance Training. In the event Franchisor or its personnel provides more than seven (7) days of On-Site Assistance Training, Franchisee will be responsible for the costs and expenses incurred by Franchisor and its personnel in connection with providing such additional training. If Franchisee is granted the right to operate multiple franchised businesses, then Franchisor may not, in its sole discretion, provide the same level of On-Site Assistance Training with the second and each additional franchised business that Franchisor provided in connection with the first Franchised Business.

C. **Replacement Personnel Training**. Franchisor will also provide the Initial Training Program to any replacement personnel or those who attend but fail to complete the program as well, provided Franchisee pays Franchisor's then-current additional training fee (as well as any expenses incurred).

D. **Additional and Refresher Training**. Franchisor may, as it deems appropriate in its discretion, develop additional and refresher training courses, and require Franchisee and its management to attend such courses. Franchisor will require Franchisee and its designated attendees to pay an additional training fee amounting to two hundred and fifty dollars ($250.00) per trainee per day (in addition to Franchisee's obligation to pay for any expenses incurred). Franchisor will not require Franchisee and its management to attend more than five (5) days of additional/refresher training each year.

E. **Manuals**. Franchisor will loan Franchisee one (1) copy of its proprietary and confidential operations manual prior to the opening of the Franchised Business, as well as any other instructional manuals as Franchisor deems appropriate (collectively, the "Manuals"). Franchisor will also loan Franchisee a list of: (i) all furniture, fixtures, equipment, inventory, supplies and other items that Franchisee is required to purchase or lease in connection with the establishment and ongoing operation of the Franchised Business (collectively, the "Required Items"); (ii) a list of all suppliers from which Franchisee must purchase or lease any Required Items, which may be Franchisor or its affiliates (collectively, the "Approved Suppliers"); and (iii) a list of the Approved Products and Services that Franchisee is authorized to offer, sell or provide at and from the Franchised Business, including membership programs and services. The foregoing lists may be provided as part of the Manuals or otherwise in writing prior to opening, and Franchisor has the right to revise, supplement or otherwise modify these lists and the Manuals at any time upon written notice to you. Franchisor may also establish and maintain a BUBBAKOO'S BURRITOS website portal, wherein Franchisor may post content that will automatically become part of, and constitute a supplement to, the Manuals, all of which Franchisee must strictly comply with promptly after such content is posted or otherwise listed as part of the manuals on such website portal.

F. **Site Selection Assistance**. Franchisor will provide Franchisee with site selection assistance and guidance with regards to Franchisee's selection of a Premises for the Franchised Business, including Franchisor's then-current site selection criteria, as it deems appropriate in its sole discretion. Franchisor may require that Franchisee use an Approved Supplier for site selection assistance. Franchisor will also review and approve of any location the Franchisee proposes for the Franchised Business. Franchisor must approve of Franchisee's proposed location, as well as the lease for the Premises (the "Lease") or purchase agreement for the location, prior to Franchisee entering into any such agreement for that location to serve as the Premises of the Franchised Business. Franchisor may condition its approval of any Lease for the proposed Premises on the landlord's execution of Franchisor's form of Consent and Agreement of Landlord attached to this Agreement at Exhibit C. Franchisor will use reasonable efforts to review and approve of any proposed Premises location and corresponding Lease within thirty (30) days of receiving all reasonably requested information from Franchisee.

G. **Grand Opening Advertising Assistance**. Franchisor may assist Franchisee, as it deems appropriate in its discretion, in developing and conducting the Grand Opening Advertising

Program (as defined and described more fully in Section 9 of this Agreement), which program shall be conducted at Franchisee's expense.

H. **Opening Assistance/Continuing Assistance**. Franchisor may, as it deems appropriate and advisable in its sole discretion, provide opening assistance and continuing advisory assistance in the operation of the Franchised Business. Franchisor's determination not to provide any particular service, either initial or continuing, shall not excuse Franchisee from any of its obligations under this Agreement.

I. **Review of Advertising Materials**. Franchisor will review and approve/reject any advertising or marketing materials proposed by Franchisee in connection with the Franchised Business as described more fully in Section 9 of this Agreement.

J. **Website**. For so long as Franchisor has an active website containing content designed to promote the BUBBAKOO'S BURRITOS brand, System and Proprietary Marks (collectively, the "Website"), Franchisor will list the contact information of the Franchised Business on this Website, provided Franchisee is not in material default under this Agreement. Franchisor may also provide Franchisee with one or more email address(es), as it deems appropriate in its discretion, which Franchisee must use only in connection with the Franchised Business.

K. **Private Label Products**. Franchisor may directly, or indirectly through Franchisor's affiliates or designated vendors, develop and provide Franchisee with private label products or other merchandise bearing the Proprietary Marks to be sold at the Franchised Business. Franchisee may be required to purchase these items from Franchisor or any other Approved Supplier Franchisor designates.

L. **Inspections of the Franchised Business and Premises**. Franchisor will, as it deems appropriate in its sole discretion, conduct inspections and/or audits of the Franchised Business and Premises to ensure that Franchisee is operating its Franchised Business in compliance with the terms of this Agreement, the Manuals and the System standards and specifications. Such inspections may include inspections of the Premises, taking photographs and/or videotape of the Restaurant's common area, taking samples of any Approved Products for sale at the Restaurant, interviewing and surveying Franchisee's personnel and customers, inspecting any and all books and records, and conducting mystery shop services. Franchisor is not responsible for ensuring that the Franchised Business is being operated in compliance with all applicable laws and regulations.

a. Franchisor may establish a mystery shops program ("Mystery Shops Program") whereby a third-party vendor will patronize the Franchised Business and grade its experience based on criteria established by Franchisor or the third-party vendor. If established, Franchisee shall pay for the costs of the surveys conducted under the Mystery Shops Program to either Franchisor or a third-party vendor.

b. Franchisor may also conduct quarterly service evaluations of the Franchised Business. Franchisee shall comply with any changes requested by Franchisor based on the quarterly evaluations.

M. **Administration of Fund**. If and when established, Franchisor will administer the Fund as it deems advisable to the System in its sole discretion as described more fully in Section 9 of this Agreement.

N. **No Assumption of Liability**. Franchisor shall not, by virtue of any approvals or advice provided to the Franchisee under this Agreement, including site selection or other approval provided under this Section 5, assume any responsibility or liability to Franchisee or to any third party to which it would not otherwise be responsible or liable. Franchisee acknowledges that any assistance (including site selection and project oversight) provided by Franchisor or its nominee in relation to the selection or development of the Premises is only for the purpose of determining compliance with System standards and does not constitute a representation, warranty, or guarantee, express, implied or collateral, regarding the choice and location of the Premises, that the development of the Premises is free of error, nor that the Franchised Business is likely to achieve any level of volume, profit or success.

O. **Delegation of Duties**. Franchisee acknowledges and agrees that any designee, employee, or agent of Franchisor may perform any duty or obligation imposed on Franchisor by the Agreement, as Franchisor may direct.

P. **Pre-Opening Obligations Acknowledgement**. If Franchisee believes Franchisor has failed to provide adequate pre-opening services as provided in this Agreement, Franchisee shall notify Franchisor in writing within ninety (90) days following the opening of the Franchised Business. Absent such notice to Franchisor, Franchisee acknowledges, agrees and grants that Franchisor complied with all of its pre-opening and opening obligations set forth in this Agreement.

Q. **Annual Conference**. Franchisor may establish and conduct an annual conference for all BUBBAKOO'S BURRITOS Restaurant owners and operators, and may require Franchisee to attend this conference for no more than five (5) days each year. Franchisee will be solely responsible for all expenses incurred in attending the annual conference (including any employee wages).

6. DUTIES OF FRANCHISEE

A. **Secure a Premises**. Franchisee must secure a Premises within the Designated Territory within ninety (90) days of executing this Agreement, unless Franchisor agrees to an extension of time in writing. If Franchisor has designated an Approved Supplier for site selection assistance, then Franchisor may require that Franchisee use this Approved Supplier. If Franchisee is entering into a Lease for the proposed Premises, the form of Lease must be approved by Franchisor and Franchisee must ensure that the Lease contains the following terms as a condition to Franchisor's approval thereof:

1. The leased Premises will only be used as a BUBBAKOO'S BURRITOS Restaurant offering only the Approved Products and Services that Franchisor designates;

2. Franchisor has the right to enter the Premises to make any modifications necessary to protect Franchisor's Proprietary Marks;

2. Upon Franchisor's request, the landlord shall supply Franchisor with a current copy of the Lease;

3. The landlord will notify Franchisor in writing of and upon the failure of Franchisee to cure any default by Franchisee under the Lease, and provide Franchisor with an

opportunity to cure the default on behalf of Franchisee within a reasonable period of time;

4. Franchisor will have the option, but not the obligation, to assume or renew the Lease and the occupancy of the business premises, including the right to sublease to another party operating a BUBBAKOO'S BURRITOS Restaurant, for all or any part of the remaining term of the Lease only if: (i) the Franchise Agreement or Lease is terminated for cause; (ii) Franchisee is in default under the Lease and, if applicable, fails to cure within the time period provided for in the Lease; (iii) Franchisee is in material default of the Franchise Agreement and fails to cure said default(s) within the applicable time period (if any) thereunder; or (iv) either the Franchise Agreement or Lease expires (and Franchisee does not renew in accordance with the respective terms of those agreements). Franchisor will not have the right to assume any Lease in the event Franchisee is relocating the Franchised Business from the Premises governed by the Lease in accordance with the terms of this Agreement. In the event Franchisor assumes the Lease under this Section, Franchisor will not be obligated to pay to the landlord past due rent, common area maintenance, and/or other charges attributable to more than one (1) month. The landlord shall give Franchisor thirty (30) days upon termination of Franchisee's rights under the Lease to exercise this option, which Franchise must do in writing; and

5. The Lease may not be materially amended, assigned, or terminated without Franchisor's prior written approval.

B. **Access to Franchisor for Inspection of Premises**. Upon the surrender of the Premises, Franchisee must conduct a physical inventory so that there is an accurate accounting of inventory, fixtures, furniture, supplies and equipment on hand, and shall provide a signed copy of this physical inventory to Franchisor as of the date of surrender of the Premises. Franchisor shall have the right to enter the Premises at its convenience and conduct said physical inventory on its own.

C. **Compliance with Lease**. Franchisee must comply with both the Lease and any additional leasehold covenants and regulations of the building in which the Premises is located. In the event the landlord of the Premises terminates the Lease due to Franchisee's default thereunder, this termination will also constitute a material breach of this Agreement by Franchisee. In the event Franchisor provides appropriate notice as described in Section 6(A) above and assumes control of the Premises and the operation of the former Franchised Business upon the termination or expiration of the Lease, the future operation of that Restaurant by Franchisor shall not be as an agent of Franchisee and Franchisor shall not be required to account to Franchisee as a result thereof.

D. **Construction and Build-Out**. Franchisee must complete all construction and build-out of the Premises in a manner consistent with Franchisor's System standards, specifications and any agreed-upon plans and open the Franchised Business to the public no later than ten (10) months after the date this Agreement is executed. Franchisor may recommend that Franchisee use an Approved Supplier for construction management services. Franchisor must provide its prior written consent before Franchisee may open the Franchised Business, and Franchisor reserves the right to inspect the construction and/or build-out of the Franchised Business at any reasonable time prior to the opening date. Should Franchisee fail to open the Franchised Business for operation within the prescribed period (or, if applicable, within any extended period of time Franchisor approves in writing), this

Agreement will be deemed terminated upon written notice from Franchisor to Franchisee without the necessity of further action or documentation by either party.

1. Notwithstanding anything contained in this Section, Franchisor will provide Franchisee with a reasonable extension of time not to exceed thirty (30) days to complete the build-out/construction of the Franchised Business and open to the public, provided: (i) Franchisee has already executed a lease for, or otherwise obtained, a Premises that Franchisor approves; and (ii) Franchisee notifies Franchisor of its need for such an extension no less than thirty (30) days prior to expiration of the one (1) year timeline to open and commence operations described herein.

2. The parties further agree and acknowledge that if Franchisee is opening and operating the Franchised Business pursuant to its development obligations under an Area Development Agreement ("ADA") with Franchisor, then that ADA will control the timeline for opening and operating the Franchised Business in the event there is an inconsistency between the ADA and this Agreement. Franchisee must open and commence operations of the Franchised Business within the time period prescribed in the development schedule set forth in the ADA (even if Franchisor does not require Franchisee to execute this Agreement until Franchisee has secured an approved Premises for the Franchised Business).

E. **Required Licenses and Permits**. Prior to opening, Franchisee must obtain and maintain (throughout the term of this Agreement) all required licenses, permits and approvals to establish, open and operate the Franchised Business at the Premises in the Designated Territory, including all required licenses and permits related to operation of a restaurant or establishment offering food and the other Approved Products and Services provided at the Franchised Business.

F. **Approved Products and Services**. Franchisee must only offer and sell only the Approved Products and Services at the Franchised Business. Franchisee may not offer or provide any other products/services and must not deviate from Franchisor's System standards and specification related to the manner in which the Approved Products and Services are offered and sold, unless Franchisor provides its prior written consent. Franchisor has the right to add additional, delete or otherwise modify certain of the Approved Products and Services from time to time in the Manuals and otherwise in writing, as it deems appropriate in its sole discretion. In the event of a dispute between Franchisee and Franchisor concerning Franchisee's right to carry any particular product or to offer any specific service, Franchisee will immediately remove the disputed products from inventory, remove the disputed service from those services offered at the Premises, or, if the same are not already in inventory or such services not yet being offered, will defer offering for sale such products and services pending resolution of the dispute.

G. **Other Devices Prohibited at Premises**. Franchisee is specifically prohibited from installing, displaying, or maintaining any vending machines, gaming machines, automatic teller machines, internet kiosks, public telephones (or payphones), or any other electrical or mechanical device in the Restaurant other than those Franchisor prescribes or approves.

H. **Fixtures, Furniture, Signs and Inventory**. Franchisee must maintain at all times during the term of this Agreement and any renewals hereof, at Franchisee's expense, the Premises and all fixtures, furnishings, signs, and inventory therein as necessary to comply with

Franchisor's standards and specifications as prescribed in the Manuals or otherwise in writing. Franchisee must also make such additions, alterations, repairs, and replacements to the foregoing as Franchisor requires. Franchisor will not require Franchisee to make material renovations or refurbishments to the Premises of the Franchised Business more than once every seven (7) years, unless such renovation/refurbishment is in connection with a renewal or transfer of this Agreement. The parties agree and acknowledge, however, that the limitation set forth in the preceding sentence will not apply to any request to modify the Proprietary Marks as provided for in this Agreement. In addition, we reserve the right to require you to purchase and install a vehicle wrap approved by us for the vehicle to be used in connection with the catering services.

I. **Compliance with Applicable Laws**. Franchisee must at all times conduct and operate the Franchised Business in accordance with all federal, state, and local laws, ordinances, and regulations applicable thereto, including any laws and regulations related to operating restaurants or businesses serving food. Franchisee will have sole authority and control over the day-to-day operations of the Franchised Business and Franchisee's employees and/or independent contractors. Franchisee agrees to be solely responsible for all employment decisions and to comply with all state, federal, and local hiring laws and functions of the Franchised Business, including without limitation, those related to hiring, firing, training, wage and hour requirements, compensation, promotion, record-keeping, supervision, and discipline of employees, paid or unpaid, full or part-time. At no time will Franchisee or Franchisee's employees be deemed to be employees of Franchisor or Franchisor's affiliates.

J. **Required Items**. Franchisee must: (i) purchase any and all Required Items that Franchisor designates for use in connection with the Franchised Business, including without limitation, all products, supplies, inventory, fixtures, Computer System, parts, and materials required for the operation of the Franchised Business; (ii) ensure that all Required Items meet Franchisor's standards and specifications; and (iii) purchase all items Franchisor specifies from the Approved Supplier(s) that Franchise designates, which may include Franchisor or its affiliate(s). Franchisee agrees and acknowledges that Franchisor and/or its affiliates may derive revenue from the offer and sale of Required Items.

K. **Alternative Supplier Approval**. If Franchisee wishes to purchase any unapproved item, including inventory, and/or acquire approved items from an unapproved supplier, Franchisee must provide Franchisor the name, address and telephone number of the proposed supplier, a description of the item Franchisee wishes to purchase, and the purchase price of the item, to the extent known. Franchisee must then follow Franchisor's then-current procedure for evaluating and approving such request and pay Franchisor's then-current product/supplier evaluation fee (the "Evaluation Fee"). At Franchisor's request, Franchisee must also provide Franchisor, for testing purposes, a sample of the item Franchisee wishes to purchase. If Franchisor incurs any costs in connection with testing a particular product or evaluating an unapproved supplier at Franchisee's request, Franchisee must reimburse Franchisor for Franchisor's reasonable testing costs, regardless of whether Franchisor subsequently approves the item or supplier. Franchisor will use commercially reasonable efforts to notify Franchisee in writing whether or not Franchisee's request is approved or denied within thirty (30) days of: (i) Franchisor's receipt of all supporting information from Franchisee regarding Franchisee's request under this Section; and (ii) if applicable, Franchisor's completion of any inspection or testing associated with Franchisee's request. If Franchisor does not provide written approval within this time period, then Franchisee's request will be deemed denied. Franchisor may, but is not

obligated to, provide Franchisee's proposed supplier with its specifications for the item that Franchisee wishes the third-party to supply, provided that third-party executes Franchisor's prescribed form of non-disclosure agreement. Each supplier that Franchisor approves must comply with Franchisor's usual and customary requirements regarding insurance, indemnification and non-disclosure. If Franchisor approves any supplier, Franchisee may enter into supply contracts with such third party, but under no circumstances will Franchisor guarantee Franchisee's performance of any supply contract. Franchisor may re-inspect and revoke Franchisor's approval of particular products or suppliers when Franchisor determines, in Franchisor's sole discretion, that such products or suppliers no longer meet Franchisor's standards. Upon receipt of written notice of such revocation, Franchisee must cease purchasing products from such supplier. Nothing in this Section shall be construed to require Franchisor to approve any particular supplier. Franchisor may base Franchisor's approval of any such proposed item or supplier on considerations relating not only directly to the item or supplier itself, but also indirectly to the uniformity, efficiency, and quality of operation Franchisor deems necessary or desirable in Franchisor's System as a whole. Franchisor has the right to receive payments from suppliers on account of their dealings with Franchisee and other franchisees and to use all amounts Franchisor receives without restriction (unless instructed otherwise by the supplier) for any purposes Franchisor deems appropriate.

L. **Computer Issues**. Franchisee acknowledges and agrees that Franchisee is solely responsible for protecting itself from computer viruses, bugs, power disruptions, communication line disruptions, internet access failures, internet content failures, date-related problems, and attacks by hackers and other unauthorized intruders.

M. **Promotional Materials Display**. Franchisee must openly and prominently display franchise promotional materials provided or designated by Franchisor and participate in any ongoing System-wide sales, specials or other promotions that Franchisor designates.

N. **Initial Training Program**. Franchisee and each of its management personnel must attend and successfully complete the Initial Training Program at least sixty (60) days prior to opening the Franchised Business, and pay Franchisor the appropriate additional training fees for any additional person(s) that attend the program other than the first two (2) individuals. Franchisee must also cover all costs associated with personnel of Franchisee attending the Initial Training Program. Franchisee must also complete any additional or refresher training the Franchisor is permitted to require Franchisee to attend each year, and Franchisee must attend Franchisor's annual conference if conducted.

O. **Training of Employees**. Franchisee or at least one (1) of Franchisee's personnel that has successfully completed the Initial Training Program must conduct training classes for, and properly train, all of Franchisee's employees on sales, advertising, maintenance of the Premises, the POS and computer system, as well as any other information that is relevant to each employee's role with the Franchised Business, including Franchisor's standards and specifications for operating the Franchised Business, as Franchisor may set forth in the Manuals or otherwise in writing. Further, at least one person that has completed the Initial Training Program must manage the Franchised Business at all times.

P. **Hours of Operation**. Franchisee shall keep the Franchised Business open and in normal operation for such minimum hours and days as Franchisor may prescribe in the Manuals or otherwise in writing, and must ensure that the Franchised Business is sufficiently staffed.

Q. **Image**. Franchisee shall maintain the image of the Franchised Business at all times in accordance with Franchisor's standards and specifications, including: (i) ensuring that the Premises is maintained in a clean and orderly manner; and (ii) ensuring that all equipment, furniture and fixtures remain in good, clean condition and is properly displayed. Franchisor may require Franchisee to refurbish, renovate and/or otherwise substantively modify the interior of the Franchised Business, including the furniture, fixtures and equipment used at the Premises, no more than once every ten (10) years (unless the change is required in connection with a renewal or transfer of this Agreement) so that the Premises and Franchised Business conform with Franchisor's then-current System standards and specifications for a new BUBBAKOO'S BURRITOS Restaurant.

R. **Customer Lists**. Franchisee must (i) maintain a list of all of its current and former customers, as well as their purchase history and any membership agreements associated therewith, at the Premises, and (ii) make such lists and contracts available for Franchisor's inspection upon request. Franchisee must promptly provide this information, which is deemed "Confidential Information" hereunder, to Franchisor upon expiration or termination of this Agreement for any reason.

S. **Promotional/Maximum Prices; Pricing Guidelines**. To the extent permitted under applicable law, Franchisee must follow Franchisor's general pricing guidelines, including any promotional or maximum prices set by Franchisor for a particular Approved Product or Service. As an independent contractor, however, Franchisee may exercise flexibility in meeting competition, offering specials, and adapting to local market conditions. Franchisor may request information from Franchisee that has been used to substantiate any reduction in pricing to meet market conditions.

T. **Operation of Franchised Business and Customer Service**. Franchisee will be responsible for the day-to-day operation of the business. Franchisee shall manage and operate the Franchised Business in an ethical and honorable manner, and must ensure that all those working at the Franchised Business provide courteous and professional services to customers and always keep its customers' interests in mind while protecting the goodwill of the Proprietary Marks, System and the Franchised Business. Franchisee must handle all customer complaints and requests for returns and adjustments in a manner consistent with Franchisor's standards and specifications, and in a manner that will not detract from the name and goodwill enjoyed by Franchisor. Franchisee must consider and act promptly with respect to handling of customer complaints, and implement complaint response procedures that Franchisor outlines in the Manuals or otherwise in writing.

U. **Access to Restaurant**. To determine whether Franchisee is complying with this Agreement, Manuals and the System, Franchisor and its designated agents or representatives may at all times and without prior written notice to Franchisee: (i) inspect the Premises; (ii) observe and monitor the operation of the Franchised Business for consecutive or intermittent periods as Franchisor deems necessary; (iii) interview personnel and customers of the Franchised Business; and (iv) inspect, audit and/or copy any books, records, and agreements relating to the operation of the Franchised Business, including all financial information. Franchisee agrees to cooperate with Franchisor fully in connection with these undertakings by Franchisor (if taken). If Franchisor exercises any of these rights, Franchisor will not interfere unreasonably with the operation of the Franchised Business.

V. **Personal Participation by Franchisee**. Franchisee must personally participate in the direct management operation of the Franchised Business on a full-time basis, unless Franchisee engages a Designated Manager that Franchisor approves in writing to manage the day-to-day operations of the Franchised Business when Franchisee is not present. If Franchisee designates a manager at any time, that manager must successfully complete the Initial Training Program prior to assuming any management responsibilities in connection with the Franchised Business. Regardless, Franchisee is solely responsible for all aspects of the operation of the Franchised Business and ensuring that all the terms, conditions, and requirements contained in this Agreement and in the Manuals are met and kept.

W. **Credit Cards**. Franchisee must accept credit cards at the Premises to facilitate sales, including Visa, MasterCard, American Express, Discover, and any other major credit cards designated by Franchisor.

X. **Payments to Franchisor**. Franchisee agrees to promptly pay Franchisor all payment and contributions that are due to Franchisor, its affiliates or any Approved Supplier.

Y. **Employment Decisions**. Franchisee agrees to be solely responsible for all employment decisions and to comply with all state, federal, and local hiring laws and functions of the Franchised Business, including without limitation, those related to hiring, firing, training, wage and hour requirements, compensation, promotion, record-keeping, supervision, and discipline of employees, paid or unpaid, full or part-time. Franchisee's employees must be competent, conscientious, and properly trained.

Z. **Bookkeeping Software**. Franchisor may require Franchisee to use a third-party provider (other than QuickBooks) for bookkeeping services if Franchisee (i) fails to timely and accurately provide any and all required reports under this Agreement, or (ii) underreports the Gross Sales of the Restaurant at any time.

7. PROPRIETARY MARKS AND OTHER INTELLECTUAL PROPERTY RIGHTS

A. **Ownership of Proprietary Marks**. Franchisee acknowledges the exclusive ownership and/or right to use the Proprietary Marks by Franchisor, and Franchisee agrees that during the term of this Agreement and after its expiration or termination Franchisee will not directly or indirectly contest or aid in contesting the validity of the Proprietary Marks or the ownership or rights of the Proprietary Marks by Franchisor. Furthermore, Franchisee intends and hereby concedes that any commercial use Franchisee may make of the Proprietary Marks shall contribute and inure to the commercial use and benefit of Franchisor, which Franchisor may claim to strengthen and further secure ownership of the Proprietary Marks.

B. **Permitted Use**. It is understood and agreed that the use by Franchisee of Franchisor's Proprietary Marks applies only in connection with the operation of the Franchised Business at the Premises, and includes only such Proprietary Marks as are now designated, or which may hereafter be designated in the Manuals or otherwise in writing as part of the System (which might or might not be all of the Proprietary Marks pertaining to the System owned by the Franchisor), and does not include any other mark, name, or indicia of origin of Franchisor now existing or which may hereafter be adopted or acquired by Franchisor.

C. **Use of Proprietary Marks in Advertising and Signage**. To develop and maintain high, uniform standards of quality and service and thereby protect Franchisor's reputation and goodwill, as well as that of the System, Franchisee agrees to:

1. Operate and advertise the Franchised Business only under the Proprietary Marks authorized by Franchisor as specified in this Agreement or the Manuals;

2. Maintain and display signage and advertising bearing the Proprietary Marks that reflects the current commercial image of the System and, upon notice from Franchisor, to immediately discard and cease use of Proprietary Marks or other imagery that has become obsolete and no longer authorized by Franchisor.

3. Upon Franchisor's request, Franchisee hereby covenants and agrees that it will affix in a conspicuous location in or upon the Premises, a sign containing the following notice: "This business is owned and operated independently by (*name of franchisee*) who is an authorized licensed user of the trademark, BUBBAKOO'S BURRITOS®, under a license agreement with Bubbakoo's Franchise Systems, LLC."

D. **Proprietary Marks are Sole Property of Franchisor**. Franchisee acknowledges that the Proprietary Marks, System, Manual, and all other information and items delivered to Franchisee by Franchisor pursuant to this Agreement or in furtherance of the System, including without limitation, video and audio tapes or disks, information communicated by electronic means, and intellectual property, are the sole and exclusive property of Franchisor, and Franchisee's right to use the same are contingent upon Franchisee's continued full and timely performance under this Agreement. Franchisee acknowledges it acquires no rights, interests, or claims to any of said property, except for Franchisee's rights to use the same under this Agreement for the term hereof and strictly in the manner prescribed. Franchisee agrees that it will not, during the term of this Agreement or any time thereafter, contest or challenge the sole and exclusive proprietary rights of Franchisor (and, if appropriate, Franchisor's affiliates) to the Proprietary Marks, System, Manuals, special recipes, ingredients, menu items, and other information, intellectual property, and items delivered or provided or to which Franchisee obtains access under this Agreement, nor shall Franchisee claim any proprietary interest in such property. Franchisee agrees that it will not adopt, display, attempt to register or otherwise use any names, marks, insignias, or symbols in any business that are or may be confusingly similar to the Proprietary Marks licensed under this Agreement.

E. **Legal Action Involving Proprietary Marks**. Furthermore, Franchisee agrees to cooperate with and assist Franchisor in connection with any legal action brought by or against either of them regarding the protection and preservation of the Proprietary Marks, System, or the Manuals, special recipes, ingredients, menu items, and other information and intellectual property delivered to Franchisee or used by Franchisee under this Agreement.

F. **Confidential Information**. Franchisee agrees that all documents, papers, notes, and other materials, as well as work products containing or derived from the proprietary information or from the knowledge of, or in connection with, the operation of the Franchised Business, will be Confidential Information (as defined in this Agreement) that is the exclusive property of Franchisor. Franchisee agrees that it will have no proprietary interest in any work product developed or used by it that arises out of the operation of the Franchised Business. Franchisee will, from time to time as may be requested by Franchisor, do all

things that may be necessary to establish or document Franchisor's ownership of any such work product, including without limitation, the execution of assignments.

G. **Improvements**. Franchisee agrees to disclose promptly to Franchisor any and all inventions, discoveries, and improvements, whether or not patentable or copyrightable, that are conceived or made by Franchisee or its employees or agents that are in any way related to the establishment or operation of the Franchised Business (collectively, the "Improvements"), all of which shall be automatically and without further action owned by Franchisor without compensation to Franchisee (including all intellectual property rights therein). Whenever requested to do so by Franchisor, Franchisee will execute any and all applications, assignments, or other instruments that Franchisor may deem necessary to apply for and obtain intellectual property protection or to otherwise protect Franchisor's interest therein. These obligations shall continue beyond the termination or expiration of this Agreement. If a court should determine that Franchisor cannot automatically own certain of the Improvements that may be developed, then Franchisee hereby agrees to grant Franchisor a perpetual, royalty-free worldwide license to use and sublicense others to use such Improvements.

H. **No Representations/Warranties**. The parties agree and acknowledge that, except as provided in this Agreement, Franchisor does not make any representations or warranties regarding the Proprietary Marks or System.

I. **Modification or Substitution of Marks by Franchisor**. If in Franchisor's reasonable determination, the use of Proprietary Marks in connection with the System will infringe or potentially infringe upon the rights of any third party, weakens or impairs Franchisor's rights in the Proprietary Marks, or it otherwise becomes advisable at any time in Franchisor's sole discretion for Franchisor to modify, discontinue, or to use one (1) or more additional or substitute trade or service Proprietary Marks then upon notice from Franchisor, Franchisee will terminate or modify, within a reasonable time, such use in the manner prescribed by Franchisor. If Franchisor changes the Proprietary Marks in any manner, Franchisor will not reimburse Franchisee for any out-of-pocket expenses that Franchisee incurs to implement such modifications or substitutions. Franchisor is not obligated to reimburse Franchisee for any loss of goodwill or revenue associated with any modified or discontinued Proprietary Mark or good offered, nor is Franchisor responsible for reimbursing Franchisee for any other costs or damages

J. **Modification or Substitution of Proprietary Marks by Franchisee**. Franchisee agrees not to make any changes or amendments whatsoever in or to the use of the Proprietary Marks unless directed by Franchisor in writing.

K. **Cease Use of Marks on Termination/Non-Renewal**. Upon termination or expiration and non-renewal of this Agreement, Franchisee agrees to immediately cease use, in any manner whatsoever, of any of the Proprietary Marks or any other Proprietary Marks or trade names that may be confusingly similar to the Proprietary Marks.

L. **Disconnection of Telephone Number upon Termination/Renewal**. Franchisee acknowledges that there will be substantial confusion among the public if, after the termination or expiration and non-renewal of this Agreement, Franchisee continues to use advertisements and/or the telephone number listed in the telephone directory or online under the name BUBBAKOO'S BURRITOS or any name similar to it. Thus, effective upon the termination or expiration and non-renewal of this Agreement, Franchisee agrees to direct the telephone company servicing Franchisee, per Franchisor's request, to

disconnect the telephone number used in connection with the Franchised Business or transfer such number to Franchisor or to any person or location of Franchisor's choosing. If Franchisee fails to take these steps, Franchisee shall be deemed to have hereby irrevocably appointed Franchisor as Franchisee's attorney-in-fact for purposes of directing and accomplishing such transfer. Franchisee understands and agrees that, notwithstanding any billing arrangements with any telephone company or yellow pages directory company, Franchisor will be deemed for purposes hereof to be the subscriber of such telephone numbers, with full authority to instruct the applicable telephone or yellow pages directory company as to the use and disposition of telephone listings and numbers. Franchisee hereby agrees to release, indemnify, and hold such companies harmless from any damages or loss as a result of following Franchisor's instructions.

M. **Non-Exclusive Use of Proprietary Marks**. Franchisee understands and agrees that its right to use the Proprietary Marks is non-exclusive, that Franchisor in its sole discretion has the right to grant licenses to others to use the Proprietary Marks and obtain the benefits of the System in addition to the licenses and rights granted to Franchisee under this Agreement, and that Franchisor may develop and license other trademarks or service marks in conjunction with systems other than the System on any terms and conditions as Franchisor may deem advisable where Franchisee will have no right or interest in any such other trademarks, licenses, or systems.

N. **Acknowledgements**. With respect to Franchisee's use of the Proprietary Marks pursuant to this Agreement, Franchisee acknowledges and agrees that:

1. Franchisee shall not use the Proprietary Marks as part of Franchisee's corporate or any other business name, domain name, e-mail address or any social media or social networking profile/page;

2. Franchisee shall not hold out or otherwise use the Proprietary Marks to perform any activity or incur any obligation or indebtedness in such a manner as might in any way make Franchisor liable therefor without Franchisor's prior written consent; and

3. Franchisee shall execute any documents and provide such other assistance deemed necessary by Franchisor or its counsel to obtain protection for Proprietary Marks or to maintain the continued validity of such Proprietary Marks.

O. **No Unauthorized Use**. Franchisee acknowledges that the use of the Proprietary Marks outside the scope of this license without Franchisor's prior written consent is an infringement of Franchisor's exclusive right to use the Proprietary Marks and, during the term of this Agreement and after the expiration or termination hereof, Franchisee covenants not to directly or indirectly commit an act of infringement, contest or aid in contesting the validity or ownership of Franchisor's Proprietary Marks, or take any other action in derogation thereof.

P. **Notification of Infringement**. Franchisee shall notify Franchisor within five (5) calendar days of any suspected infringement of, or challenge to, the validity of the ownership of, or Franchisor's right to use, the Proprietary Marks licensed hereunder. Franchisee will not communicate with any persons other than Franchisor or Franchisor's legal counsel in connection with any such infringement, challenge, or claim. Franchisee acknowledges that Franchisor has the right to control any administrative proceeding or litigation involving the

Proprietary Marks. In the event Franchisor undertakes the defense or prosecution of any litigation relating to the Proprietary Marks, Franchisee agrees to execute any and all documents and to do such acts and things as may be necessary in the opinion of counsel for Franchisor to carry out such defense or prosecution.

Q. **Indemnification Regarding Marks**. Franchisor will indemnify and defend Franchisee against any third-party claim brought against Franchisee that arises solely out of Franchisee's authorized use of the Proprietary Marks licensed under this Agreement in connection with the Franchised Business, provided: (i) such use is in full compliance with Franchisor's standards and specifications; and (ii) Franchisee notifies Franchisor in writing of this third-party claim within three (3) calendar days of receiving notice or otherwise learning of the claim. Franchisor will have complete control over the defense and, if appropriate, settlement negotiations and resolution regarding the claims described in this Section, including the right to select legal counsel Franchisor deems appropriate. Franchisee must fully cooperate with Franchisor in connection with Franchisor's defense or settlement of any third-party claim that Franchisor determines to take control of under this Section 7. Notwithstanding anything in this Section to the contrary, Franchisor's liability under this Section shall be limited to no more than the Initial Franchise Fee paid under this Agreement.

R. **Other Obligations of Franchisee**. In addition to all other obligations of Franchisee with respect to the Proprietary Marks licensed herein, Franchisee agrees:

1. To feature and use the Proprietary Marks solely in the manner prescribed by Franchisor and not use the Proprietary Marks on the internet except as approved in writing by Franchisor; and

2. To observe all such requirements with respect to service mark, trademark and copyright notices, fictitious name registrations, and the display of the legal name or other identification of Franchisee as Franchisor may direct in writing from time to time.

8. OPERATIONS MANUALS AND CONFIDENTIAL/CONFIDENTIAL INFORMATION

A. **Compliance with Manuals**. In order to protect the reputation and goodwill of Franchisor and the System, and to maintain uniform standards of operation under Franchisor's Proprietary Marks, Franchisee shall conduct the Franchised Business in strict accordance with Franchisor's Manuals.

B. **Control of the Franchised Business**. Franchisee acknowledges the Manuals provided by Franchisor to Franchisee is intended to protect Franchisor's standards, systems, names, and marks and is not intended to control day-to-day operation of Franchisee's business. Franchisee further acknowledges and agrees that the Franchised Business will be under the control of the Franchisee at all times.

C. **Confidential Information**. In connection with the operation of the Franchised Business, Franchisee will from time to time become acquainted with, work with, and even generate certain information, procedures, techniques, data, special recipes, ingredients, menu items, and materials that are and, by this Agreement, will become proprietary to Franchisor. Franchisee and all persons signing this Agreement agree to keep confidential any of Franchisor's trade secrets or proprietary information as defined below and will not use such

for its or their own purpose or supply or divulge same to any person, firm, association, or corporation except as reasonably necessary to operate the Franchised Business.

D. **Trade Secrets and Confidential Information**. The confidentiality requirements set forth in the preceding paragraph will remain in full force and effect during the term of this Agreement and in perpetuity after its termination or expiration and non-renewal. Franchisor's trade secrets and proprietary/confidential information include the following:

1. The Manuals, as well as information related to the following: (i) site-selection criteria for Restaurants; (ii) methods, techniques and trade secrets for use in connection with the System for the establishment and operation of a Restaurant; (iii) marketing research and promotional, marketing and advertising programs for the Franchised Business and Restaurants generally; (iv) knowledge of specification for and suppliers of, and methods of ordering, certain products, fixtures, furnishings, equipment and inventory used at the Franchised Business and Restaurants generally; (v) knowledge of the operating results and financial performance of any Restaurant utilizing the System; (vi) customer communication and loyalty programs, along with data used or generated in connection with those programs; (vii) Franchisor's other instructional manuals, as well as any training materials and information Franchisor has developed for use in connection with the System; (viii) information regarding the development of the Proprietary Marks; (ix) information generated by, or used or developed in, the operation of the Franchised Business, including customer names, addresses, telephone numbers and any other information contained in the Franchised Business's computer system; and (x) the design, build-out and any construction/remodeling plans for the interior and exterior of the Franchised Business and Restaurants generally;

2. The special recipes, ingredients, menu items, and storage/preparation/cooking/presentation techniques and methodology associated with the Approved Products; and

3. Any other information that may be imparted to Franchisee from time to time and designated by Franchisor as confidential (collectively, the "Confidential Information").

E. **Confidential Information as Property of Franchisor**. Franchisee acknowledges and agrees that the Confidential Information and any business goodwill of the Franchise are Franchisor's sole and exclusive property and that Franchisee will preserve the confidentiality thereof. Upon the termination or expiration and non-renewal of this Agreement, all items, records, documentation, and recordings incorporating any Confidential Information will be immediately turned over by Franchisee, at Franchisee's sole expense, to Franchisor or to Franchisor's authorized representative.

F. **Information Not Proprietary**. Excepted from Confidential Information for purposes of non-disclosure to any third parties by Franchisee and/or its Restricted Persons (as hereinafter defined) is information that:

1. Becomes publicly known through no wrongful act of Franchisee or Restricted Persons; or

2. Is known by Franchisee or Restricted Persons without any confidential restriction at the time of the receipt of such information from Franchisor or becomes rightfully

known to them without confidential restriction from a source other than Franchisor.

G. **Reasonable Efforts to Maintain Confidentiality**. Franchisee shall at all times treat the Confidential Information as confidential and shall use all reasonable efforts to keep such information secret and confidential. The Manuals must remain at the Premises and be kept in a secure location, under lock and key, except when it is being studied by Franchisee or Franchisee's employees. Franchisee shall not, at any time without Franchisor's prior written consent, copy, scan, duplicate, record, distribute, disseminate, or otherwise make the Manuals available to any unauthorized person or entity, in whole or in part.

H. **Prevention of Unauthorized Use or Disclosure**. Franchisee shall adopt and implement all reasonable procedures as Franchisor may prescribe from time to time to prevent the unauthorized use or disclosure of any of the Confidential Information. Franchisee must ensure and require that all of its officers, agents, directors, shareholders, trustees, beneficiaries, partners, employees, spouses of employees, and independent contractors who may obtain or who are likely to obtain knowledge concerning the Confidential Information (collectively, "Restricted Persons") execute Franchisor's prescribed form of confidentiality agreement that will be in substantially the same form attached to this Agreement as Exhibit E (the "Confidentiality and Non-Competition Agreement"). Franchisee must obtain a signed copy of the Confidentiality and Non-Competition Agreement from any such person prior to, or at the same time of, that person undertaking its role and/or employment or association with Franchisee or the Franchised Business. Franchisee's spouse or significant other shall also be bound by the same requirement and shall sign the same Confidentiality and Non-Competition Agreement. Franchisee must provide Franchisor with a copy of each signed Confidentiality and Non-Competition Agreement within ten (10) days of Franchisor's request.

I. **Loan of Manuals**. Franchisor will loan one (1) copy of the Manuals to Franchisee. The Manuals shall at all times remain the sole property of Franchisor and must be returned to Franchisor upon termination or expiration and non-renewal of this Agreement.

J. **Modification of Manuals**. In order for Franchisee to benefit from new knowledge, information, methods, and technology adopted and used by Franchisor in the operation of the System, Franchisor may from time to time revise the Manuals, and Franchisee agrees to adhere to and abide by all such revisions (at its expense). Franchisee agrees at all times to keep its copy of the Manuals current and up-to-date. In the event of any dispute as to the contents of Franchisee's Manual, the terms of the master copy of the Manuals maintained by Franchisor at its home office shall be controlling. Out-of-date pages must be returned to Franchisor immediately upon replacement. Franchisor may provide any supplements, updates or revisions to the Manuals via the Internet, email, the System-wide intranet/extranet or any other electronic or traditional mediums it deems appropriate.

9. ADVERTISING

A. **Advertising and Sales Promotion Programs**. Franchisor may from time to time develop and create advertising and sales promotion programs designed to promote and enhance the collective success of all or some of the BUBBAKOO'S BURRITOS Restaurants operating under the System. Franchisee must participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by Franchisor for each program. In all aspects of these programs, including without limitation, the type/quantity/timing/placement and choice of media, and market areas and advertising

agencies, the System standards and specifications established by Franchisor shall be final and binding upon Franchisee. Franchisor may also request that Franchisee purchase and/or make copies of (and Franchisee's expense) and subsequently use certain other advertising or promotional materials that Franchisor designates for use in connection with the Franchised Business.

B. **Approval for all Advertising/Promotional Materials**. All advertising and promotion by Franchisee in any medium must be conducted in a professional manner and shall conform to Franchisor's standards and requirements as set forth in the Manuals or otherwise. Franchisee shall obtain Franchisor's approval of all advertising and promotional plans and materials prior to use if such plans and materials have not been prepared by Franchisor or previously approved by Franchisor during the twelve (12) months prior to their proposed use. Franchisee must submit unapproved plans and materials to Franchisor, and Franchisor will have thirty (30) days to notify Franchisee of its approval or disapproval of such materials. If Franchisor does not provide its specific approval of the proposed materials within this thirty (30) day period, the proposed materials will be deemed rejected. Any plans and materials that Franchisee submits to Franchisor for its review will become Franchisor's property and there will be no restriction on Franchisor's use or dissemination of such materials. Franchisor may revoke its approval of any previously-approved advertising materials upon notice to Franchisee. Franchisor reserves the right to require Franchisee to include certain language on all advertising to be used locally by Franchisee or to be used by a Cooperative, including, but not limited to, the phrase "Franchises Available" and references to Franchisor's telephone number and/or website.

C. **Grand Opening Advertising**. Franchisee must spend five thousand dollars (5,000.00) to promote and advertise the grand opening of the Franchised Business within the Designated Territory, which must be expended during the time period beginning approximately thirty (30) days prior to the opening of the Franchised Business through the first sixty (60) days following the opening of the Franchised Business (the "Grand Opening Advertising"). If Franchisor collects any portion of the Grand Opening Advertising, it will only do so in order to pay its out-of-pocket costs to implement the Grand Opening Advertising campaign on Franchisee's behalf.

D. **Local Advertising Requirement**. In addition to Grand Opening Advertising, Franchisee must expend a minimum of one percent (1%) of Gross Sales each month the Franchised Business is open and operating on advertising and marketing the Franchised Business within the Designated Territory (the "Local Advertising Requirement").

1. Upon Franchisor's request, Franchisee must provide Franchisor with invoices or other proof of its monthly expenditures on local advertising and marketing.

2. Franchisee must ensure that: (i) the Franchised Business has a dedicated phone line for use in connection with the Franchised Business only (and no other business, including any other BUBBAKOO'S BURRITOS franchise); (ii) the Franchised Business is listed in the appropriate Internet-based directories that Franchisor designates.

3. Franchisee may not advertise and promote the Franchised Business outside of the Designated Territory, unless (a) the geographic area wherein Franchisee wishes to advertise is contiguous to the Designated Territory and that area has not been granted to any other BUBBAKOO'S BURRITOS location or BUBBAKOO'S BURRITOS

franchisee/developer, or (b) Franchisor otherwise provides its prior written consent in writing.

E. **Advertising and Marketing Fund**. Franchisor has established a System-wide brand Fund designed to promote the System, Proprietary Marks and BUBBAKOO'S BURRITOS brand generally. Franchisee is required to contribute to this Fund on a weekly basis in an amount equal to up to two percent (2%) of the Gross Sales of the Franchised Business as described in Section 4. All payments by Franchisee to the Fund are non-refundable upon payment, and Franchisor will account separately for all sums paid to the Fund. The Fund will be maintained and administered by Franchisor or Franchisor's designee as follows:

1. Franchisor will use Fund and all contributions to it and any earnings on it, exclusively for preparing, directing, conducting, placing, and administering advertising, marketing, public relations, and/or promotional programs and materials, and any other activities, that Franchisor believes would enhance the image of the System, Proprietary Marks, and Approved Products or Services.

2. Franchisor is not obligated to spend monies from the Fund in any particular Franchisee's market in proportion to the payments to the Fund made by the Franchisee in that market. Franchisor does not represent that it will spend any particular amount of advertising funds locally, regionally, or nationally.

3. The Fund may be used to meet any and all costs of maintaining, administering, directing, and preparing advertising. This includes, among other things, direct mail advertising, marketing surveys and other public relations activities, developing and maintaining the Franchisor's Website, employing advertising and public relations agencies, purchasing promotional items, and providing other marketing materials and services to the BUBBAKOO'S BURRITOS Restaurants operating under the System. These costs may include the proportionate salary share of Franchisor's employees that devote time and render services for advertising and promotion or the administration of the Fund, including administrative costs, salaries, and overhead expenses related to administering the Fund and its programs. No part of the Fund shall be used by Franchisor to defray any of its general operating expenses, other than those reasonably allocable to the advertising described in this Section or other activities reasonably related to the administration or direction of the Fund.

4. Franchisor shall administratively segregate all contributions to the Fund on its books and records. All such payments to the Fund may be deposited in Franchisor's general operating account, may be commingled with Franchisor's general operating funds, and may be deemed an asset of Franchisor, subject to Franchisor's obligation to expend the monies in the Fund in accordance with the terms hereof. Franchisor may, in its sole discretion, elect to accumulate monies in the Fund for such periods of time, as it deems necessary or appropriate, with no obligation to expend all monies received in any fiscal year during that fiscal year. In the event Franchisor's expenditures for the Fund in any one (1) fiscal year shall exceed the total amount contributed to the Fund during such fiscal year, Franchisor shall have the right to be reimbursed to the extent of such excess contributions from any amounts subsequently contributed to the Fund or to use such excess as a credit against its future contributions. The parties do not intend that the Fund be deemed a trust.

5. Franchisor shall, on an annual basis, account for the operation of the Fund and prepare an unaudited financial statement evidencing such accounting, which will be available to Franchisee upon its written request ninety (90) days after the Franchisor's fiscal year end. Franchisor will not be required to provide an audit with respect to the Fund, and Franchisor may dissolve the Fund at any time after it is established.

F. **Advertising Council**. Franchisor may establish, if and when it deems appropriate in its sole discretion, a council to provide advice and guidance regarding the administration of the Fund and various other advertising/marketing matters (an "Advertising Council"). If Franchisor establishes an Advertising Counsel, it may serve in only an advisory capacity and may consist of franchisees, personnel from Franchisor's affiliate-owned Restaurants, or other management/employees that Franchisor designates. If an Advertising Council is established, the membership of such Advertising Council, along with the policies and procedures by which it operates, will be determined by Franchisor. The recommendations of the Advertising Council shall not be binding on Franchisor.

G. **Website**. Franchisor agrees that it will establish an interior page on its corporate website to display the Premises and contact information associated with the Franchised Business for so long as (i) the Franchised Business is open and actively operating, and (ii) this Agreement is not subject to termination. Franchisee may not establish any separate website or other Internet presence in connection with the Franchised Business, System or Proprietary Marks without Franchisor's prior written consent. If approved to establish a separate website, Franchisee shall comply with Franchisor's policies, standards and specifications with respect to the creation, maintenance and content of any such website. Franchisee specifically acknowledges and agrees that any website owned or maintained by or for the benefit of Franchisee shall be deemed "advertising" under this Agreement, and will be subject to (among other things) Franchisor's approval as described in this Section 9. Franchisee may not promote or otherwise list its Franchised Business, or the Proprietary Marks or System, on any social media or networking site, including without limitation, Facebook, LinkedIn, Instagram, Pinterest, Twitter or YouTube, without Franchisor's prior written consent. Franchisor shall have the right to modify the provisions of this Section relating to Franchisee's use of separate websites and social media, as Franchisor determines necessary or appropriate.

H. **Cooperatives**. Franchisor may establish regional advertising cooperatives that are comprised of multiple Restaurant owners located within a geographical region that Franchisor designates (each, a "Cooperative"). If Franchisor establishes a Cooperative and designates Franchisee as a member thereof, Franchisee may be required to contribute to the Cooperative in an amount not to exceed Franchisee's Local Advertising Requirement each month. All amounts paid to a Cooperative will be credited towards Franchisee's Local Advertising Requirement. Franchisor shall have the right to specify the governing rules, terms and operating procedures of any Cooperative.

10. ACCOUNTING AND RECORDS

A. **Maintenance of Records**. Franchisee must, in a manner satisfactory to Franchisor and in accordance with generally accepted accounting principles, maintain original, full, and complete register tapes, computer files, back-up files, other records, accounts, books, data, licenses, contracts, and product vendor invoices which shall accurately reflect all

particulars relating to the Franchised Business, as well as other statistical and financial information and records Franchisor may require. All of this information must be kept for at least three (3) years, even if this Agreement is no longer in effect. Upon Franchisor's request, Franchisee must furnish Franchisor with copies of any or all product or equipment supply invoices reflecting purchases by or on behalf of the Franchised Business. In addition, Franchisee shall compile and provide to Franchisor any statistical or financial information regarding the operation of the Franchised Business, the products and services sold by it, or data of a similar nature, including without limitation, any financial data that Franchisor believes that it needs to compile or disclose in connection with the sale of franchises or that Franchisor may elect to disclose in connection with the sale of franchises. All data provided to the Franchisor under this Section 10 shall belong to Franchisor and may be used and published by Franchisor in connection with the System (including in Franchisor's disclosure documents).

B. **Examination and Audit of Records**. Franchisor and its designated agents shall have the right to examine and audit Franchisee's records, accounts, books, computer files, and data at all reasonable times to ensure that Franchisee is complying with the terms of this Agreement. If such audit discloses that Franchisee has underreported the Gross Sales of the Franchised Business or any amount due to Franchisor by two percent (2%) or more in any given reporting period (weekly, monthly or otherwise), then Franchisee must: (i) reimburse Franchisor any costs/expenses incurred in connection with conducting the inspection and audit; and (ii) pay any amount due and owing Franchisor as a result of Franchisee's underreporting, along with any accrued interest on said amounts.

C. **Computer System for Records**. Franchisee shall record all transactions and Gross Sales of the Franchised Business on a Computer System that is approved by Franchisor, which must contain software that allows Franchisee to record accumulated sales without turning back, resetting or erasing such sales. Franchisor will, at all times and without notice to Franchisee, have the right to independently and remotely access and view Franchisee's Computer System as described in Section 4 of this Agreement.

D. **Computer System Files and Passwords**. Franchisee will not install or load any computer software on the hard disks of the Computer System used in connection with the Franchised Business without Franchisor's prior written consent. All computer and file passwords associated with the Computer System must be supplied as a list to Franchisor by Franchisee, along with any modifications or changes to that list. The passwords to access the Computer System located at the Premises or used by the Franchised Business, as well as all computer files and records related to the Franchised Business, are the exclusive property of Franchisor and Franchisee must provide Franchisor with these files and information upon the termination or expiration of this Agreement.

E. **Current Contracts, Listings and Projects**. At any time and upon request of Franchisor, Franchisee shall provide Franchisor with a copy or summary listing, at Franchisor's discretion, of all current contracts, listings, agreements, and projects that Franchisee is involved in or working with.

F. **Tax Returns**. Upon Franchisor's request, Franchisee shall furnish the Franchisor with a copy of each of its reports, returns of sales, use and gross receipt taxes, and complete copies of any state or federal income tax returns covering the operation of the Franchised Business, all of which Franchisee shall certify as true and correct.

G. **Required Reports**. Franchisee must provide Franchisor with the following reports and information, all of which must be certified as true and correct by Franchisee and in the form and manner prescribed by Franchisor: (i) a signed Gross Sales Report as described more fully in Section 4 of this Agreement on or before Monday of each week; (ii) on or before the twentieth (20th) of each month, an unaudited profit and loss statement for the Franchised Business for the preceding calendar month; (iii) within sixty (60) days of each calendar quarter, an unaudited balance sheet reflecting the financial position of the Franchised Business as of the end of that calendar quarter; (iv) within sixty (60) days of Franchisor's request, a financial statement that details the total assets and liabilities of the Franchised Business (and, if appropriate Franchisee and personal guarantors under this Agreement); (v) within ninety (90) days after the close of each fiscal year of Franchisee, financial statements which shall include a statement of income and retained earnings, a statement of changes in financial position, and a balance sheet of the Franchised Business, all as of the end of such fiscal year; and (vi) any other financial information or performance metrics of the Franchised Business that Franchisor may reasonably request.

H. **Right to Require Audit if Franchisee Underreports**. In the event a prior audit or inspection conducted by Franchisor (or its designee) has revealed that Franchisee has underreporting the Gross Sales of the Franchised Business by two percent (2%) or more for any reporting period as described in Section 10(B), then Franchisor may require Franchisee to provide, at the Franchisee's expense, audited financial statements that comply with GAAP and GAAS for Franchisee's fiscal year within 120 days of Franchisee's fiscal year end.

I. **Change to Ownership of Franchisee**. In addition to the foregoing statements, Franchisee must provide Franchisor with written reports regarding any authorized change to: (i) the listing of all owners and other holders of any type of interest (legal or beneficial) in Franchisee or the Franchised Business; and (ii) Franchisee's partners, officers, directors, as well as any of the Designated Managers that manage the day-to-day operations of the Franchised Business. Franchisee will notify Franchisor in writing within ten (10) days after any such change, unless Franchisor is required to first notify Franchisor and obtain its approval prior to making any such change.

11. INSURANCE AND INDEMNIFICATION

A. **Required Insurance**. Franchisee shall, at its own expense and no later than the earlier of (a) the date on which Franchisee uses any of the Proprietary Marks, or (b) the date Franchisee begins building out the Premises, procure and maintain in full force and effect throughout the term of this Agreement the types of insurance enumerated in the Manuals or otherwise in writing (whether the Franchised Business is open or not). This insurance shall be in such amounts Franchisor or the lessor of the Premises designates from time to time. In addition to any other insurance that may be required by applicable law, or by lender or lessor, Franchisee shall procure:

1. "all risk" property insurance coverage on all assets including inventory, furniture, fixtures, equipment, supplies and other property used in the operation of the Franchised Business. Franchisee's property insurance policy shall include coverage for fire, vandalism and malicious mischief and must have coverage limits of at least full replacement cost;

2. Workers' compensation insurance that complies with the statutory requirements of the state in which the Franchised Business is located and employer liability coverage with a

minimum limit of ONE HUNDRED THOUSAND DOLLARS ($100,000.00) or, if higher, the statutory minimum limit as required by state law;

3. Comprehensive General Liability Insurance, Professional Liability Insurance, and Employment Practices Liability Insurance (EPLI) against claims for bodily and personal injury, discrimination, wrongful termination, professional misconduct, death and property damage caused by, or occurring in conjunction with, the operation of the Franchised Business, or Franchisee's conduct of business pursuant to this Agreement, with a minimum liability coverage of ONE MILLION DOLLARS ($1,000,000.00) per occurrence or TWO MILLION DOLLARS ($2,000,000.00) in the aggregate for Professional Liability and General Liability and a minimum liability coverage of ONE MILLION DOLLARS ($1,000,000.00) per occurrence and in the aggregate for EPLI or, if higher, the statutory minimum limit required by state law;

4. Automobile liability insurance for any vehicles owned or hired by the Franchised Business, with a combined single limit of at least ONE MILLION DOLLARS ($1,000,000.00) or, if higher, the statutory minimum limit required by state law; and

5. Such insurance as necessary to provide coverage under the indemnity provisions set forth in this Agreement.

Franchisee must buy insurance only from carriers rated A-VIII or better by A.M. Best and Company, Inc. (or similar criteria as Franchisor periodically specifies), unless Franchisor designates specific carriers from which Franchisee must purchase coverage (in which case Franchisee may only purchase from the designated carrier(s)). Franchisor may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, changing economic conditions, or other relevant changes in circumstances. All insurance policies Franchisee purchases must name Franchisor and any affiliate Franchisor designate as additional insureds, and provide for thirty (30) days' prior written notice to Franchisor of a policy's material modification or cancellation. The cost of Franchisee's premiums will depend on the insurance carrier's charges, terms of payment, and Franchisee's insurance and payment histories. Franchisee shall make timely delivery of certificates of all required insurance to Franchisor, each of which shall contain a statement by the insurer that the policy will not be cancelled or materially altered without at least thirty (30) days' prior written notice to Franchisor. The procurement and maintenance of such insurance shall not relieve Franchisee of any liability to Franchisor under any indemnity requirement of this Agreement.

B. **Failure to Procure and Maintain Insurance**. If Franchisee fails for any reason to procure and maintain the required insurance coverage, Franchisor has the right and authority (without having any obligation to do so) to immediately procure such insurance coverage, in which case Franchisee must: (i) reimburse Franchisor for the costs incurred to obtain the required insurance (including any premium amounts paid); and (ii) pay Franchisor its then-current administrative fee, as may be reasonably charged by Franchisor as consideration for securing the required insurance on Franchisee's behalf.

C. **Indemnification**. Franchisee, as a material part of the consideration to be rendered to Franchisor, agrees to indemnify, defend and hold Franchisor, as well as Franchisor's directors, officers, principals/owners, managers, shareholders, affiliates, subsidiaries, employees, servants, agents, successors and assignees (collectively, the "Indemnitees"),

harmless from and against any and all losses, damage, claims, demands, liabilities and causes of actions of every kind or character and nature, as well as costs and expenses incident thereto (including reasonable attorneys' fees and court costs), that are brought against any of the Indemnitees (collectively, the "Claims") that arise out of or are otherwise related to Franchisee's ownership, construction, management, or operation of the Franchised Business in any manner. Notwithstanding the foregoing, at Franchisor's option, Franchisor may choose to engage counsel and defend against any such Claim and may require immediate reimbursement from the Franchisee of all expenses and fees incurred in connection with such defense.

12. INDEPENDENT CONTRACTOR

A. **No Fiduciary Relationship**. In all dealings with third parties, including without limitation, employees, suppliers, and customers, Franchisee shall disclose in an appropriate manner acceptable to Franchisor that it is an independent entity licensed by Franchisor. Nothing in this Agreement is intended by the parties hereto either to create a fiduciary relationship between them or to constitute the Franchisee an agent, legal representative, subsidiary, joint venture, partner, employee, or servant of Franchisor for any purpose whatsoever.

B. **Independent Contractor Relationship**. It is understood and agreed that Franchisee is an independent contractor and is in no way authorized to make any contract, agreement, warranty, or representation or to create any obligation on behalf of Franchisor. Upon Franchisor's request, Franchisee must display a sign in its Franchised Business displaying the following phrase (or something similar): "This BUBBAKOO'S BURRITOS Restaurant is independently owned and operated pursuant to a license agreement." Neither this Agreement nor Franchisor's course of conduct is intended, nor may anything in this Agreement (nor Franchisor's course of conduct) be construed to state or imply that Franchisor is the employer of Franchisee's employees and/or independent contractor.

13. TRANSFER AND ASSIGNMENT

A. **Franchisee Right to Transfer.** Franchisee's rights under this Agreement are personal, and Franchisee shall not sell, transfer, assign or encumber Franchisee's interest in this Agreement or the Franchised Business (or undertake any of the actions identified in Section 13(C) of this Agreement) without Franchisor's prior written consent. Any sale, transfer, assignment or encumbrance made without Franchisor's prior written consent shall be voidable at Franchisor's option and shall subject this Agreement to termination as specified herein.

B. **Death or Disability**.

1. In the event of Franchisee's death, disability or incapacitation (or the death, disability or incapacitation of Franchisee's principals/owners/guarantors), Franchisee's legal representative, or Franchisee's partner's or guarantor's respective legal representative, as applicable, will have the right to continue the operation of the Franchised Business as "Franchisee" under this Agreement if: (i) within ninety (90) days from the date of death, disability or incapacity (the "90 Day Period"), such person has obtained Franchisor's prior written approval and has executed Franchisor's then-current franchise agreement for the unexpired term of the franchise, or has furnished a personal guaranty of any partnership, corporate or limited liability company Franchisee's obligations to Franchisor and

Franchisor's affiliates; and (ii) such person successfully completes Franchisor's training program (which Franchisor will provide at Franchisor's then-current tuition rate). Such assignment by operation of law will not be deemed in violation of this Agreement, provided such heirs or legatees accept the conditions imposed by the Franchise Agreement and are acceptable to Franchisor.

2. Franchisor is under no obligation to operate the Franchised Business, or incur any obligation on behalf of any incapacitated franchisee, during or after the 90 Day Period. If necessary, Franchisee (or Franchisee's legal representative, as applicable) shall appoint a previously approved acting interim manager to operate the Franchised Business during the 90 Day Period. In the event of Franchisee's death, disability, absence or otherwise, Franchisor may (but is not required to) operate the Franchised Business on Franchisee's behalf and at Franchisee's expense for such period of time (and under such terms and conditions) as Franchisor determines, including paying out the assets and/or revenues of the Franchised Business to cover any or all past, current and/or future obligations of the Franchised Business (including any amounts owed to Franchisor and/or any affiliate) in such priorities as Franchisor determines in Franchisor's sole discretion. Franchisor may pay itself a reasonable amount to reimburse Franchisor for Franchisor's management services and other costs. Franchisor may obtain approval of a court or arbitrator for any such arrangements, the attorney's fees and other costs incurred in connection with obtaining such approval to be charged against the assets and/or revenues of the Franchised Business. Franchisee (and/or Franchisee's estate) will indemnify Franchisor against any costs and/or liabilities incurred by it in connection with, or related in any way to, the operation (or otherwise) of the Franchised Business.

3. Franchisor will not collect any transfer fee if there is a transfer under this Section 13(B) to an immediate family member of the Franchisee that Franchisor approves pursuant to Section 13(E).

C. **Ownership.** In addition to those acts described in Section 13(A), a transfer or assignment requiring Franchisor's prior written consent shall be deemed to occur: (i) if Franchisee is a corporation, upon any assignment, sale, pledge or transfer of any fractional portion of Franchisee's voting stock or any increase in the number of outstanding shares of Franchisee's voting stock which results in a change of ownership, (ii) if Franchisee is a partnership, upon the assignment, sale, pledge or transfer of any fractional partnership ownership interest; or (iii) if Franchisee is a limited liability company, upon the assignment, sale, pledge or transfer or any interest in the limited liability company. Any new partner, shareholder, or member or manager owning having an ownership interest in the surviving entity after the proposed transfer will be required to personally guarantee Franchisee's obligations under this Agreement. A transfer pursuant to (i) and (iii) above shall not be subject to Franchisor's right of first refusal as set forth in Section 13(D).

D. **Right of First Refusal.** If Franchisee proposes to transfer either this Agreement or all, or substantially all, of the assets used in connection with the Franchised Business or any interest in Franchisee's lease to any third party (other than a corporation or limited liability company as set forth in Section 13(C) hereof or in the event of Franchisee's death/disability as set forth in Section 13(B)), Franchisee shall first offer to sell such interest to Franchisor on the same terms and conditions as offered by such third party. Franchisee shall obtain from the third party and provide Franchisor a statement in writing, signed by the third party

and Franchisee, of the terms of the offer ("Letter of Intent"). If Franchisor elects not to accept the offer within a thirty (30) day period, Franchisee shall have a period not to exceed sixty (60) days to complete the transfer described in the Letter of Intent subject to the conditions for approval set forth in Section 13(E) of this Agreement. Franchisee shall effect no other sale or transfer as contemplated under the Letter of Intent without first complying with this Section. Any material change in the terms of the offer will be deemed a new proposal subject to Franchisor's right of first refusal. So long as Franchisee has obtained Franchisor's prior written consent, which shall not be unreasonably withheld, a transfer to an existing partner or shareholder, or a transfer as a result of the death, disability or incapacitation of a shareholder or partner, in accordance with the provisions set forth below, is not subject to Franchisor's first right of refusal.

E. **Conditions for Approval.** Franchisor may condition Franchisor's approval of any proposed sale or transfer of the Franchised Business or of Franchisee's interest in this Agreement or any other acts of transfer described in Section 13(C) upon satisfaction of the following occurrences:

1. All of Franchisee's accrued monetary obligations to Franchisor, Franchisor's affiliates, and Franchisor's designated/approved suppliers and vendors, are satisfied;

2. Franchisee must cure all existing defaults under this Agreement, or any other agreement between Franchisee and Franchisor, Franchisor's affiliates, Franchisor's designated/approved suppliers and vendors, within the period permitted for cure and have substantially complied with such agreements during their respective terms;

3. Franchisee and Franchisee's principals (if Franchisee is a partnership, corporation or limited liability company), and the transferee (if it has had any previous relationship with Franchisor or Franchisor's affiliates), must execute a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's affiliates and officers, directors, shareholders and employees, in their corporate and individual capacities;

4. Franchisee or transferee shall provide Franchisor a copy of the executed purchase agreement relating to the proposed transfer with all supporting documents and schedules, including transferee's assumption of and agreement to faithfully perform all of Franchisee's obligations under this Agreement;

5. The transferee shall demonstrate to Franchisor's satisfaction that he or she meets Franchisor's educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to conduct the business to be transferred; and has adequate financial resources and capital to meet the performance obligations under this Agreement; however, transferee shall not be in the same business as Franchisor either as licensor, franchisor, independent operator or licensee of any other business or chain which is similar in nature or in competition with Franchisor, except that the transferee may be an existing franchisee of ours;

6. The transferee shall execute Franchisor's then-current franchise agreement (which may contain materially different terms than this Agreement) for the remaining

balance of Franchisee's term under this Agreement, assuming all of Franchisee's obligations under this Agreement, with transferee's term commencing on the date the transferee executes the then-current franchise agreement;

7. Franchisee or transferee shall pay Franchisor a transfer fee equal to fifty percent (50%) of Franchisor's then-current Initial Franchise Fee, or, if transferring to an existing System Franchisee, then forty percent (40%) of Franchisor's then-current Initial Franchise Fee;

8. The transferee shall satisfactorily complete Franchisor's Initial Training Program at the transferee's expense within the time frame Franchisor sets forth, and pay Franchisor a tuition training fee of two hundred and fifty dollars per day per person ($250.00) for transferee and one other person to attend training (the transferee will also be responsible for all costs and expenses associated with attending the initial training program);

9. Franchisee (and Franchisee's principals/guarantors if Franchisee is a partnership, corporation or limited liability company) must comply with the post-termination provisions of this Agreement;

10. The transferee must demonstrate that is has obtained or maintained, within the time limits set by Franchisor, all permits and licenses required for the continued operation of the Franchised Business;

11. To the extent required by the terms of any leases or other agreements, the lessors or other parties must have consented to the proposed transfer;

12. 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;

13. The purchase price and terms of the proposed transfer must not be so burdensome to the prospective transferee as to impair or materially threaten its future operation of the Franchised Business and performance under its franchise agreement;

14. Franchisee must request that Franchisor provide the prospective transferee with Franchisor's current form of disclosure document and Franchisor shall not be liable for any representations not included in the disclosure document; and

15. Franchisor shall have the right to disclose to any prospective transferee such revenue reports and other financial information concerning Franchisee and Franchised Business as Franchisee has supplied Franchisor hereunder.

Franchisor will not unreasonably withhold its consent to a proposed transfer or assignment requested by Franchisee, provided the foregoing conditions are met. Franchisor's approval of a transfer shall not operate as a release of any liability of the transferring party nor shall such approval constitute a waiver of any claims Franchisor may have against the transferring party. Furthermore, Franchisor agrees that Franchisee will not be required to pay any transfer fee in the event: (i) Franchisee wishes to transfer its rights under the Franchise Agreement to a newly-established legal business entity that is wholly owned by Franchisee and established solely for purposes of operating the Franchised Business under the Franchise Agreement; or (ii) Franchisee is required to encumber certain assets of the Franchised Business (or subordinate Franchisor's security interest thereto) in

order to receive SBA or other traditional bank financing, provided Franchisor otherwise approves of the transfer.

F. **Transfer from an Individual Franchisee to Business Entity**. If Franchisee is an individual and desires to assign its rights under this Agreement to a corporation or limited liability company, and if all of the following conditions are met, Franchisor will consent to the transfer without assessing the transfer fee or training tuition fees set forth in Section 13(E)(7)-(8), and such assignment will not be subject to Franchisor's right of first refusal in Section 13(D): (i) the corporation or limited liability company is newly organized and its activities are confined to operating the Franchised Business; (ii) Franchisee is, and at all times remains, the owner of 51% or more of the outstanding shares of the corporation or a controlling interest in the limited liability company; (iii) the corporation or limited liability company agrees in writing to assume all of Franchisee's obligations hereunder; and (iv) all stockholders of the corporation, or members and managers of the limited liability company, as applicable, personally guarantee prompt payment and performance by the corporation or limited liability company of all its obligations to Franchisor and Franchisor's affiliates, under this Agreement and any other agreement between Franchisee and Franchisor and/or Franchisor's affiliates, and execute the Personal Guaranty attached to this Agreement as Exhibit B.

G. **Franchisor's Right to Transfer**. Franchisor has the right to sell, transfer, assign and/or encumber all or any part of Franchisor's assets and Franchisor's interest in, and rights and obligations under, this Agreement in Franchisor's sole discretion.

14. COVENANTS

Franchisee acknowledges that, as a participant in Franchisor's System, Franchisee will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques that Franchisor has developed. As such, Franchisee agrees to the covenants in this Section to protect Franchisor, the System, Proprietary Marks and Franchisor's other franchisees.

A. **During the Term of this Agreement.** During the term of this Agreement, neither Franchisee, its principals, owners, guarantors or Designated Manager(s), nor any immediate family of Franchisee, its principals, owners, guarantors or Designated Manager(s), may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

1. Own, maintain, engage in, be employed or serve as an officer, director, or principal of, lease space to, lend money or extend credit to, or have any other interest in or involvement with: (i) any other restaurant or business that (a) is a Mexican-themed fast-food, quick-casual or wrap-style eating establishment, or (b) otherwise generates twenty percent (20%) or more of its revenue from the combined sale of burritos, tacos, taco salads and/or nachos (each, a "Competing Business"); or (ii) offers or grants licenses or franchises, or establishes joint ventures, for the ownership or operation of a Competing Business. For purposes of this Agreement, a Competing Business does not include the following: any business operated by Franchisee under a Franchise Agreement with Franchisor; or any business operated by a publicly-traded entity in which Franchisee owns less than two percent (2%) legal or beneficial interest; or

2. Divert, or attempt to divert, any prospective customer to a Competing Business in any manner.

B. **After the Term of this Agreement.**

1. For a period of two (2) years after the expiration and nonrenewal, transfer or termination of this Agreement, regardless of the cause, neither Franchisee, its principals, owners and guarantors, nor any member of the immediate family of Franchisee, its principals, owners or guarantors, may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation, be involved with any business that competes in whole or in part with Franchisor by offering or granting licenses or franchises, or establishing joint ventures, for the ownership or operation of a Competing Business. The geographic scope of the covenant contained in this Section is any location where Franchisor can demonstrate it has offered or sold franchises as of the date this Agreement is terminated or expires.

2. For a period of two (2) years after the expiration and nonrenewal, transfer or termination of this Agreement or assignment of this Agreement by Franchisee, regardless of the cause, neither Franchisee, its principals, owners and guarantors, nor any immediate family member of Franchisee, its principals, owners or guarantors, may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

a. Own, maintain, engage in, be employed as an officer, director, or principal of, lend money to, extend credit to, or otherwise have any interest in or involvement with any other Competing Business: (i) within the Designated Territory; or (ii) within a five (5) mile radius of (a) the perimeter of the Designated Territory, or (b) any other Restaurant (whether franchised or company-owned) that is open or under development as of the date this Agreement is terminated or expires (or as of the date Franchisee assigns this Agreement); or

b. Solicit business from customers of Franchisee's former Franchised Business or contact any of Franchisor's suppliers or vendors for any competitive business purpose.

C. **Intent and Enforcement**. It is the parties' intent that the provisions of this Section 14 be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein shall not render any other part unenforceable. In the event of the actual or threatened breach of this Section 14 by Franchisee, any of Franchisee's principals, or any member of the immediate family of Franchisee or Franchisee's principals, Franchisor shall be entitled to an injunction restraining such person from any such actual or threatened breach. Franchisee acknowledges that the covenants contained herein are necessary to protect the goodwill of the Franchised Business, other System franchisees, and the System. Franchisee further acknowledges that covenants contained in this Section 14 are necessary to protect Franchisor's procedures and know-how transmitted during the term of this Agreement. Franchisee agrees that in the event of the actual or threatened breach of this Section 14, Franchisor's harm will be irreparable and that

Franchisor has no adequate remedy at law to prevent such harm. Franchisee acknowledges and agrees on Franchisee's own behalf and on behalf of the persons who are liable under this Section 14 that each has previously worked or been gainfully employed in other careers and that the provisions of this Section 14 in no way prevent any such person from earning a living. Franchisee further acknowledges and agrees that the time limitation of this Section 14 shall be tolled during any default under this Section 14.

D. **Confidentiality and Non-Competition Agreement**. Franchisee must ensure that all management personnel of the Franchised Business, as well as any officers and directors of Franchisee, execute Franchisor's then-current form of Confidentiality and Non-Competition Agreement (which will be in substantially the same form as the document attached to this Agreement as Exhibit E). Franchisee must furnish Franchisor a copy of each executed agreement.

E. **No Defense**. Franchisee hereby agrees that the existence of any claim Franchisee may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to Franchisor's enforcement of the covenants contained in this Section 14. Franchisee agrees to pay all costs and expenses (including reasonable attorneys' fees) that Franchisor incurs in connection with the enforcement of this Section 14.

15. DEFAULT AND TERMINATION

Franchisor may terminate this Agreement as described in this Section, and Franchisee agrees and acknowledges that the defaults, or failure to cure such defaults within the appropriate time period prescribed below (if any), shall constitute "good cause" and "reasonable cause" for termination under any state franchise laws or regulations that might apply to the operation of the Franchised Business.

A. **Automatic Termination**. This Agreement will automatically terminate without notice or an opportunity to cure upon the occurrence of any of the following:

1. The Franchisee becomes insolvent or makes a general assignment for the benefit of creditors, unless otherwise prohibited by law;

2. A petition in bankruptcy is filed by Franchisee or such a petition is filed against and consented to by Franchisee and not dismissed within thirty (30) days;

3. A bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian in connection with the Franchisee or Franchised Business (or assets of the Franchised Business) is filed and consented to by Franchisee;

4. A receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed;

5. A final judgment in excess of Ten Thousand Dollars ($10,000.00) against Franchisee remains unsatisfied or of record for sixty (60) days or longer (unless a bond is filed or other steps are taken to effectively stay enforcement of such judgment in the relevant jurisdiction), except that Franchisor may provide Franchisee with additional time to satisfy the judgment if Franchisee demonstrates that it is using commercially reasonable efforts to resolve the issues related to the judgment; or

6. Franchisee attempts to sell, transfer, encumber or otherwise dispose of any interest in Franchisee, this Agreement or the Franchised Business in violation of Section 13 hereof.

B. **Termination upon Notice**. Franchisor has the right to terminate this Agreement upon notice to Franchisee without providing Franchisee any opportunity to cure with respect to any of the following breaches or defaults:

1. If Franchisee or Franchisee's owners/principals commit any fraud or misrepresentation in the establishment or operation of the Franchised Business, including without limitation, any misrepresentation made in Franchisee's franchise application;

2. If Franchisee and any other required attendees fail to attend and complete the Initial Training Program within the time period prescribed in this Agreement;

3. If Franchisee receives from Franchisor three (3) or more notices to cure the same or similar defaults or violations set forth in Section 15(C) of this Agreement during any twelve (12) month period, whether or not these breaches were timely cured;

4. If Franchisee or Franchisee's owners/principals violate any of the in-term covenant not to compete or any of the other restrictive covenants set forth in Section 14 of this Agreement;

5. If Franchisee misuses the Proprietary Marks or Confidential Information in any manner, or otherwise violates any provision of this Agreement related to the use of the Proprietary Marks, Confidential Information and any other confidential materials provided by Franchisor (including those provisions related to non-disclosure of the Manuals and other confidential materials that Franchisor loans to Franchisee);

6. If Franchisee misuses any proprietary software that Franchisor designates for use in connection with the Franchised Business;

7. If Franchisee or any of Franchisee's principals default on any other agreement with Franchisor or any affiliate or Approved Supplier of Franchisor, and such default is not cured within the prescribed time period set forth in that other agreement;

8. If Franchisee defaults under the lease for the Premises and does not cure within the prescribed period of time thereunder, or if Franchisee otherwise loses its right to possess and control the Premises to operate the Franchised Business at any time during the term of this Agreement (except in cases of *force majeure* and cases where Franchisor has previously approved Franchisee's relocation request and Franchisee timely relocates);

9. If Franchisee fails to open and commence operations of the Franchised Business within the time period prescribed in Section 6 of this Agreement;

10. If Franchisee fails to cure any of the following violations under this Agreement within ten (10) days of being notified by Franchisor: (i) failure to offer only those

Approved Products and Services that Franchisor authorizes at the Franchised Business; (ii) any purchase of any non-approved item or service for use in connection with the Franchised Business; or (iii) failure to purchase any Required Item that Franchisor designates as necessary for the establishment or operation of the Franchised Business from the appropriate Approved Supplier(s) that Franchisor designates;

11. If Franchisee voluntarily or otherwise abandons the Franchised Business. For purposes of this Agreement, the term "abandon" means: (i) failure to actively operate the Franchised Business for more than two (2) business days without Franchisor's prior written consent; or (ii) any other conduct on the part of Franchisee or its principals that Franchisor determines indicates a desire or intent to discontinue operating the Franchised Business in accordance with this Agreement or the Manuals;

12. If Franchisee fails to provide Franchisor with access to Franchisee's POS system, Computer System or registers located at the Franchised Business as required under this Agreement, and fails to remedy this default within three (3) business days of being notified by Franchisor;

13. If Franchisee fails to pay Franchisor, its affiliates or any of its Approved Suppliers any amount that is due and owing Franchisor within ten (10) days of the date that Franchisor (or other party owed the money) notifies Franchisee of the outstanding amount that is due and owed;

14. If Franchisee fails, for a period of fifteen (15) days after notification of non-compliance by appropriate authority, to comply with any law or regulation applicable to the operation of the Franchised Business;

15. If Franchisee fails, for a period of ten (10) days after notification of non-compliance, to obtain any other licenses, certificates, permits or approvals necessary to operate the Franchised Business at the Premises;

16. If Franchisee, any person controlling, controlled by, or under common control with the Franchisee, any principal officer or employee of Franchisee, or any person owning an interest in Franchise is convicted of a felony or any other crime or offense (even if not a crime) that is reasonably likely in the sole opinion of Franchisor to adversely affect the System, any System unit, the Proprietary Marks, or the goodwill associated therewith;

17. If Franchisee takes for Franchisee's own personal use any assets or property of the Franchised Business, including inventory, employee taxes, FICA, insurance or benefits;

18. If there are insufficient funds in Franchisee's EFT Account to cover a check or EFT payment due to Franchisor or its affiliates under this Agreement three (3) or more times within any twelve (12) month period; or

19. If Franchisee commits repeated violations of any health, zoning, sanitation, or other regulatory law, standard, or practice; operates the business in a manner that presents a health or safety hazard to its employees or customers; or if Franchisee

loses its approval from any city, state, or other regulatory agency to operate a business that provides restaurant services or offers food.

C. **Termination upon Notice and 30 Days' Cure**. Except for those defaults set forth in Sections 15(A)-(B) of this Agreement, Franchisor may terminate this Agreement upon notice to Franchisee in the event Franchisee: (i) breaches or violates any other covenant, obligation, term, condition, warranty, or certification under this Agreement, including Franchisee's failure to comply with any of Franchisor's other System standards and specifications in the operation of the Franchised Business as set forth in the Manuals; and (ii) fails to cure such breach or violation within thirty (30) days of the date Franchisee is provided with notice thereof by Franchisor.

D. **Step-In Rights**. In addition to Franchisor's right to terminate this Agreement, and not in lieu of such right or any other rights hereunder, if this Agreement is subject to termination due to Franchisee's failure to cure any default within the applicable time period (if any), then Franchisor has the right, but not the obligations, to enter the Premises and exercise complete authority with respect to the operation of the Franchised Business until such time that Franchisor determines, in its reasonable discretion, that the default(s) at issue have been cured and that Franchisee is otherwise in compliance with the terms of this Agreement. In the event Franchisor exercises these "step-in rights," Franchisee must reimburse Franchisor for all reasonable costs and overhead that Franchisor incurs in connection with its operation of the Franchised Business, including without limitation, costs of personnel supervising and staffing the Franchised Business and any travel, lodging and meal expenses. Additionally, Franchisor will be entitled to a management fee amounting to ten percent (10%) of the Franchise Business's revenue generated during the period in which Franchisor has exercised its step-in rights. If Franchisor undertakes to operate the Franchised Business pursuant to this Section, Franchisee must indemnify, defend and hold Franchisor (and its representatives and employees) harmless from and against any Claims that may arise out of Franchisor's operation of the Franchised Business.

16. POST-TERM OBLIGATIONS

Upon the expiration or termination of this Agreement, Franchisee shall immediately:

A. **Cease Operation of Franchised Business and Affiliation with Franchisor**. Cease to be a franchise owner of Franchised Business under this Agreement and cease to operate the former Franchised Business under the System. Franchisee shall not thereafter directly or indirectly represent to the public that the former Franchised Business is or was operated or in any way connected with the System or hold itself out as a present or former franchise owner of Franchise at or with respect to the Premises;

B. **Return Manuals and Confidential Information**. Return to Franchisor the Manuals and all trade secrets, Confidential Information (including customer lists and information) and other confidential materials, equipment, software and property owned by Franchisor and all copies thereof. Franchisee shall retain no copy or record of any of the foregoing; provided, however, that Franchisee may retain its copy of this Agreement, any correspondence between the parties, and any other document which Franchisee reasonably needs for compliance with any applicable provision of law;

C. **Assignment of Customer Contracts, Telephone/Facsimile Numbers and Domain Names**. Take such action as may that Franchisor designates to: (i) provide and assign to

Franchisor the then-current and up-to-date customer list and any membership contracts to Franchisor; and (ii) transfer, disconnect, forward, or assign all telephone/facsimile numbers and domain names used in connection with the Franchised Business, as well as any white and yellow page telephone references, advertisements, and all trade and similar name registrations and business licenses to Franchisor or its designee and cancel any interest which Franchisee may have in the same (as Franchisor directs in its sole discretion). Franchisee agrees to execute all documents necessary to comply with the obligations of this Section, including the form Conditional Assignment of Telephone/Facsimile Numbers and Domain Names attached to this Agreement as Exhibit F;

D. **Cease using Proprietary Marks**. Cease to use in advertising or in any manner whatsoever any methods, procedures, or techniques associated with the System in which Franchisor has a proprietary right, title, or interest; cease to use the Proprietary Marks and any other marks and indicia of operation associated with the System; and remove all trade dress, physical characteristics, color combinations, and other indications of operation under the System from the Premises. Without limiting the generality of the foregoing, Franchisee agrees that, in the event of any termination or expiration and non-renewal of this Agreement, it will remove all signage bearing the Proprietary Marks, deliver the fascia for such signs to Franchisor upon Franchisor's request, and remove any items that are characteristic of the System "trade dress" from the Premises. Franchisee agrees that Franchisor or a designated agent may enter upon the Premises at any time to make such changes at Franchisee's sole risk and expense and without liability for trespass. Upon Franchisor's request, Franchisee must provide all materials bearing the Proprietary Marks to Franchisor upon expiration or termination of this Agreement for any reason, without cost to Franchisor;

E. **Compliance with Post-Term Covenants**. Comply with the post-term covenants not to compete and other restrictive covenants set forth in Section 14 of this Agreement;

F. **Written Evidence of Compliance**. Provide Franchisor with written evidence that they have complied with the post-term obligations, within thirty (30) days' notice of termination or scheduled expiration of the franchise; and

G. **Payment of Outstanding Amount**. Pay Franchisor all amounts owed to Franchisor under the terms of this Agreement.

H. **Purchase of Assets**. Franchisor shall have the option, but not the obligation, within thirty (30) days after the date of termination, expiration, and non-renewal of this Agreement to purchase any and all of Franchisee's assets from the Franchised Business at a purchase price equal to net depreciated book value. If Franchisor elects this option, Franchisor will deliver written notice to Franchisee. Franchisor will have the right to inspect equipment at any time during this thirty (30) day period. If Franchisor elects to purchase equipment as part of the asset purchase, Franchisor will be entitled to, and Franchisee must provide, all customary warranties and representations as to compliance with law, the maintenance, function, and condition of the equipment and Franchisee's good title to the equipment (including, but not limited to, that Franchisee owns the equipment free and clear of any liens and encumbrances).

17. TAXES AND INDEBTEDNESS

A. **Taxes**. Franchisee must promptly pay when due any and all federal, state, and local taxes, including without limitation, unemployment, workers' compensation, and sales taxes which are levied or assessed with respect to any services or products furnished, used, or licensed pursuant to this Agreement and all accounts or other indebtedness of every kind incurred by Franchisee in the operation of the Franchised Business.

B. **Debts and Obligations**. Franchisee hereby expressly covenants and agrees to accept full and sole responsibility for any and all debts and obligations incurred in the operation of the Franchised Business.

18. WRITTEN APPROVALS; WAIVERS; FORMS OF AGREEMENT; AMENDMENT

A. **Franchisor's Approval**. Whenever this Agreement requires or Franchisee desires to obtain Franchisor's approval, Franchisee shall make a timely written request. Unless a different period is specified in this Agreement, Franchisor shall respond with its approval or disapproval within fifteen (15) days of receipt of such request. If Franchisor has not specifically approved a request within such fifteen (15) day period, such failure to respond shall be deemed as a disapproval of any such request.

B. **No Waiver**. No failure of Franchisor to exercise any power reserved to it by this Agreement and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of Franchisor's right to demand exact compliance with any of the terms herein. No waiver or approval by Franchisor of any particular breach or default by Franchisee; no delay, forbearance, or omission by Franchisor to act or give notice of default or to exercise any power or right arising by reason of such default hereunder; and no acceptance by Franchisor of any payments due hereunder shall be considered a waiver or approval by Franchisor of any preceding or subsequent breach or default by Franchisee of any term, covenant, or condition of this Agreement.

C. **Terms of Other Franchise Agreements**. No warranty or representation is made by the Franchisor that all BUBBAKOO'S BURRITOS franchise agreements heretofore or hereafter issued by Franchisor do or will contain terms substantially similar to those contained in this Agreement. Further, Franchisee recognizes and agrees that Franchisor may, in its reasonable business judgment due to local business conditions or otherwise, waive or modify comparable provisions of other franchise agreements heretofore or hereafter granted to other System franchise owners in a non-uniform manner.

D. **Modification of System and Manuals**. Except as provided in Section 22 and Franchisor's right to unilaterally modify the System and Manuals, no amendment, change, or variance from this Agreement shall be binding upon either Franchisor or Franchisee unless set forth in writing and signed by both parties.

E. **No Disclaimers of Franchise Disclosure Document**. Nothing in this Agreement or in any related agreement is intended to disclaim the representations we made in the franchise disclosure document.

19. ENFORCEMENT

A. **Full Access to Premises for Inspection**. In order to ensure compliance with this Agreement and enable Franchisor to carry out its obligation under this Agreement, Franchisee agrees that Franchisor and its designated agents shall be permitted, with or

without notice, full and complete access during business hours to inspect the Premises and all records thereof, including but not limited to, records relating to Franchisee's customers, suppliers, employees, and agents. Franchisee shall cooperate fully with the Franchisor and its designated agents requesting such access.

B. **Injunctive Relief**. The Franchisor or its designee shall be entitled to obtain without bond, declarations, temporary and permanent injunctions, and orders of specific performance in order to enforce the provisions of this Agreement relating to Franchisee's use of the Proprietary Marks, the obligations of Franchisee upon termination or expiration of this Agreement, and assignment of the franchise and ownership interests in Franchisee or in order to prohibit any act or omission by Franchisee or its employees which constitutes a violation of any applicable law or regulation, which is dishonest or misleading to prospective or current customers of businesses operated under the System, which constitutes a danger to other franchise owners, employees, customers, or the public or which may impair the goodwill associated with the Proprietary Marks.

C. **No Withholding of Payments**. Franchisee agrees and acknowledges that it may not withhold payments or amounts of any kind due to Franchisor on the premise of alleged nonperformance by Franchisor of any of its obligations hereunder.

D. **Costs and Attorneys' Fees**. If Franchisee is in breach or default of any monetary or non-monetary obligation under this Agreement or any related agreement between Franchisee and Franchisor and/or Franchisor's affiliates, and Franchisor engages an attorney to enforce Franchisor's rights (whether or not formal judicial proceedings are initiated), Franchisee must reimburse Franchisor for all costs/expenses incurred in connection with enforcing its rights under this Agreement including all reasonable attorneys' fees, court costs and litigation expenses. If Franchisee institutes any legal action to interpret or enforce the terms of this Agreement, and Franchisee's claim in such action is denied or the action is dismissed, Franchisor is entitled to recover Franchisor's reasonable attorneys' fees, and all other reasonable costs and expenses incurred in defending against same, and to have such an amount awarded as part of the judgment in the proceeding.

E. **Liquidated Damages Upon Termination Due to Franchisee's Default**. In the event this Agreement is terminated prior to the end of its term due to Franchisee's default hereunder, in addition to the amounts set forth in Section 19(D) above, Franchisee shall promptly pay to Franchisor a lump sum payment (as damages and not as a penalty) for breaching this Agreement in an amount equal to: (a) the average monthly Royalty Fee and Fund Contribution payable by Franchisee under Sections 4(A)(2) and 4(A)(3) over the twelve (12) month period immediately preceding the date of termination (or such shorter time period if the Franchised Business has been open less than twelve (12) months); (b) multiplied by the lesser of (a) thirty-six (36) months or (b) the number of months then remaining in the then-current term of this Agreement. Franchisee acknowledges that a precise calculation of the full extent of the damages Franchisor will incur in the event of termination of this Agreement as a result of Franchisee's default is difficult to determine and that this lump sum payment is reasonable in light of the damages Franchisor will incur for Franchisee's material default causing the premature termination of this Agreement. This lump sum payment shall be in lieu of any damages Franchisor may incur as a result of Franchisee's default, but it shall be in addition to all attorneys' and accountants' fees and other costs and expenses to which Franchisor is entitled under the terms of this Agreement. Franchisee's payment of this lump sum shall not affect Franchisor's right to

obtain appropriate injunctive relief and remedies to enforce Section 16 and the covenants set forth in Sections 8 and 14.

20. NOTICES

Any notice required to be given hereunder shall be in writing and shall be either mailed by certified mail, return receipt requested, or delivered by a recognized courier service, receipt acknowledged. Notices must be provided to each party at the respective addresses set forth below:

To Franchisor:	Bubbakoo's Franchise Systems, LLC Attn: Chris Ives 1670 Route 34 North, Suite 1C Wall, New Jersey 07727
With a copy to:	Bret Lowell, Esq. DLA Piper LLP (US) One Fountain Square 11911 Freedom Drive, Suite 300 Reston, Virginia 20190
To Franchisee:	_____ _____ _____

Any notice complying with the provisions hereof will be deemed delivered at the earlier of: (i) three (3) days after mailing; or (ii) the actual date of delivery or receipt (as evidenced by the courier). Each party shall have the right to designate any other address for such notices by providing the other party(ies) with written notice thereof at the addresses above, and in such event, all notices to be mailed after receipt of such notice shall be sent to such other address.

21. GOVERNING LAW AND DISPUTE RESOLUTION

A. **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey, without reference to this state's conflict of laws principles.

B. **Internal Dispute Resolution**. Franchisee must first bring any claim or dispute between Franchisee and Franchisor to Franchisor's management, after providing notice as set forth in Section 21(G) of this Agreement, and make every effort to resolve the dispute internally. Franchisee must exhaust this internal dispute resolution procedure before Franchisee may bring Franchisee's dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.

C. **Mediation**. At Franchisor's option, all claims or disputes between Franchisee and Franchisor (or its affiliates) arising out of, or in any way relating to, this Agreement or any other agreement by and between Franchisee and Franchisor (or its affiliates), or any of the parties' respective rights and obligations arising from such agreement, which are not first resolved through the internal dispute resolution procedure sent forth in Section 21(B) above, will be submitted first to mediation to take place in Wall, New Jersey under the

auspices of the American Arbitration Association ("AAA"), in accordance with AAA's Commercial Mediation Rules then in effect. Before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, Franchisee must submit a notice to Franchisor, which specifies, in detail, the precise nature and grounds of such claim or dispute. Franchisor will have a period of thirty (30) days following receipt of such notice within which to notify Franchisee as to whether Franchisor or its affiliates elects to exercise its option to submit such claim or dispute to mediation. Franchisee may not commence any action against Franchisor or its affiliates with respect to any such claim or dispute in any court unless Franchisor fails to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by Franchisor. Franchisor's rights to mediation, as set forth herein, may be specifically enforced by Franchisor. Each party will bear its own cost of mediation and Franchisor and Franchisee will share mediator fees equally. This agreement to mediate will survive any termination or expiration of this Agreement. The parties will not be required to first attempt to mediate a controversy, dispute, or claim through mediation as set forth in this Section 21(C) if such controversy, dispute, or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating): (i) any federally protected intellectual property rights in the Proprietary Marks, the System, or in any Confidential Information or other confidential information; (ii) any of the restrictive covenants contained in this Agreement; and (iii) any of Franchisee's payment obligations under this Agreement.

D. **Injunctive Relief**. Franchisee acknowledges and agrees that irreparable harm could be caused to Franchisor by Franchisee's violation of certain provisions of this Agreement and, as such, in addition to any other relief available at law or equity, Franchisor shall be entitled to obtain in any court of competent jurisdiction, without bond, restraining orders or temporary or permanent injunctions in order to enforce, among other items, the provisions of this Agreement relating to: (i) Franchisee's use of the Proprietary Marks and Confidential Information (including any proprietary software used in connection with the Franchised Business); (ii) the in-term covenant not to compete, as well as any other violations of the restrictive covenants set forth in this Agreement; (iii) Franchisee's obligations on termination or expiration of this Agreement; (iv) disputes and controversies based on or arising under the Lanham Act, or otherwise involving the Proprietary Marks, as now or hereafter amended; (v) disputes and controversies involving enforcement of the Franchisor's rights with respect to confidentiality under this Agreement; and (vi) to prohibit any act or omission by Franchisee or its employees that constitutes a violation of applicable law, threatens Franchisor's franchise system or threatens other franchisees of Franchisor. Franchisee's only remedy if such an injunction is entered will be the dissolution of the injunction, if appropriate, and Franchisee waives all damage claims if the injunction is wrongfully issued.

E. **Venue**. Subject to Sections 21(C) and 21(D) of this Agreement, the parties agree that any actions arising out of or related to this Agreement must be initiated and litigated to conclusion exclusively in the state court of general jurisdiction closest to Wall, New Jersey or, if appropriate, the United States District Court for the District of New Jersey (unless settled by the parties after such action is initiated). Franchisee acknowledges that this Agreement has been entered into in the State of New Jersey, and that Franchisee is to receive valuable and continuing services emanating from Franchisor's headquarters in New Jersey, including but not limited to training, assistance, support and the development of the System. In recognition of such services and their origin, Franchisee hereby irrevocably

consents to the personal jurisdiction of the state and federal courts of New Jersey as set forth in this Section.

F. **Third Party Beneficiaries**. Franchisor's officers, directors, shareholders, agents and/or employees are express third party beneficiaries of the provisions of this Agreement, including the dispute resolution provisions set forth in this Section 21, each having authority to specifically enforce the right to mediate/arbitrate claims asserted against such person(s) by Franchisee.

G. **Notice Requirement**. As a condition precedent to commencing an action for damages or for violation or breach of this Agreement, Franchisee must notify Franchisor within thirty (30) days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages.

H. **No Withholding of Payments**. Franchisee shall not withhold all or any part of any payment to Franchisor or any of its affiliates on the grounds of Franchisor's alleged nonperformance or as an offset against any amount Franchisor or any of Franchisor's affiliates allegedly may owe Franchisee under this Agreement or any related agreements.

I. **Limitation of Actions**. Franchisee further agrees that no cause of action arising out of or under this Agreement may be maintained by Franchisee against Franchisor unless brought before the expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one year after the Franchisee becomes aware of facts or circumstances reasonably indicating that Franchisee may have a claim against Franchisor hereunder, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off. Franchisee hereby waives the right to obtain any remedy based on alleged fraud, misrepresentation, or deceit by Franchisor, including, without limitation, rescission of this Agreement, in any mediation, judicial, or other adjudicatory proceeding arising hereunder, except upon a ground expressly provided in this Agreement, or pursuant to any right expressly granted by any applicable statute expressly regulating the sale of franchises, or any regulation or rules promulgated thereunder.

J. **Waiver of Punitive Damages**. Franchisee hereby waives to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) against Franchisor arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, that Franchisee's recovery is limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages. Nothing in this Section or any other provision of this Agreement shall be construed to prevent Franchisor from claiming and obtaining expectation or consequential damages, including lost future royalties for the balance of the term of this Agreement if it is terminated due to Franchisee's default, which the parties agree and acknowledge Franchisor may claim under this Agreement.

K. **WAIVER OF JURY TRIAL**. THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE

PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR FRANCHISEE'S PURCHASE FROM FRANCHISOR OF THE FRANCHISE AND/OR ANY GOODS OR SERVICES.

L. **WAIVER OF CLASS ACTIONS**. THE PARTIES AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE SALE OF THE FRANCHISED BUSINESS, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN FRANCHISEE, FRANCHISEE'S GUARANTORS AND FRANCHISOR OR ITS AFFILIATES/OFFICERS/EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.

22. SEVERABILITY AND CONSTRUCTION

A. Should any provision of this Agreement for any reason be held invalid, illegal, or unenforceable by a court of competent jurisdiction, such provision shall be deemed restricted in application to the extent required to render it valid, and the remainder of this Agreement shall in no way be affected and shall remain valid and enforceable for all purposes, both parties hereto declaring that they would have executed this Agreement without inclusion of such provision. In the event such total or partial invalidity or unenforceability of any provision of this Agreement exists only with respect to the laws of a particular jurisdiction, this paragraph shall operate upon such provision only to the extent that the laws of such jurisdiction are applicable to such provision. Each party agrees to execute and deliver to the other any further documents which may be reasonably required to make fully the provisions hereof. Franchisee understands and acknowledges that Franchisor shall have the right in its sole discretion on a temporary or permanent basis, to reduce the scope of any covenant or provision of this Agreement binding upon Franchisee without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee agrees that it will comply forthwith with any covenant as so modified, which shall be fully enforceable.

B. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts together shall constitute the same instrument.

C. The table of contents, headings, and captions contained herein are for the purposes of convenience and reference only and are not to be construed as a part of this Agreement. All terms and words used herein shall be construed to include the number and gender as the context of this Agreement may require. The parties agree that each Section of this Agreement shall be construed independently of any other Section or provision of this Agreement.

23. ACKNOWLEDGMENTS

A. Franchisee acknowledges that it received a complete copy of this Agreement for a period not less than fourteen (14) calendar days, during which time conducted an independent investigation of the business licensed hereunder to the extent of Franchisee's desire to do so. Franchisee recognizes and acknowledges that the business venture contemplated by this Agreement involves business risks, and that its success will be largely dependent upon

the ability of the Franchisee as an independent businessperson. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received, any warranty or guarantee, express or implied, that Franchisee will be successful in this venture or that the business will attain any level of sales volume, profits, or success. Franchisee acknowledges that this Agreement, the franchise disclosure document ("FDD"), and the exhibits hereto constitutes the entire Agreement of the parties. This Agreement terminates and supersedes any prior agreement between the parties concerning the same subject matter.

B. Franchisee agrees and acknowledges that fulfillment of any and all of Franchisor's obligations written in this Agreement or based on any oral communications which may be ruled to be binding in a court of law shall be Franchisor's sole responsibility and none of Franchisor's agents, representatives, nor any individuals associated with Franchisor's franchise company shall be personally liable to Franchisee for any reason. This is an important part of this Agreement. Franchisee agrees that nothing that Franchisee believes Franchisee has been told by Franchisor or Franchisor's representatives shall be binding unless it is written in this Agreement. This is an important part of this Agreement. Do not sign this Agreement if there is any question concerning its contents or any representations made.

[The remainder of this page is left intentionally blank.
Signatures to appear on the following page]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement under seal on the date first written above.

FRANCHISOR:

BUBBAKOO'S FRANCHISE SYSTEMS, LLC

By: _____

Print Name: _____

Title: _____

Date: _____

FRANCHISEE:

_____

IF AN INDIVIDUAL:

By: _____

Print Name: _____

Date: _____

Spouse Signature: _____

Spouse Name: _____

Date: _____

IF A PARTNERSHIP, CORPORATION, OR OTHER ENTITY:

By: _____

Print Name: _____

Title: _____

Date: _____

EXHIBIT A TO THE FRANCHISE AGREEMENT

DATA SHEET AND STATEMENT OF OWNERSHIP

1. EFFECTIVE DATE: _____

2. SITE SELECTION AREA

Pursuant to Section 2(B) of the Franchise Agreement, Franchisee must locate and secure a Premises for the Franchised Business within the following Site Selection Area:

_____
_____
_____

3. PREMISES

Pursuant to Section 2(C) of the Franchise Agreement, the Franchised Business shall be located at the following approved Premises:

_____
_____
_____

4. DESIGNATED TERRITORY

Pursuant to Section 2(D) of the Franchise Agreement, Franchisee's Designated Territory will be defined as follows (if identified on a map, please attach map and reference attachment below):

_____
_____
_____
_____

5. Franchisee Contact Person. The following individual is a shareholder, member, or partner of Franchisee and is the principal person to be contacted on all matters relating to the Franchised Business:

Name: _____

Daytime Telephone No.: _____

Evening Telephone No.: _____

Cellular Telephone No.: _____

Facsimile No.: _____

E-mail Address: _____

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6. Statement of Ownership. If Franchisee is a corporation, limited liability company, partnership or other business entity, the undersigned agree and acknowledge that the following is a complete list of all of the shareholders, members, or partners of Franchisee and the percentage interest of each individual:

Name	Position/Title	Interest (%)
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

THE PARTIES SIGNING THIS DATA SHEET BELOW AGREE AND ACKNOWLEDGE THAT THIS DATA SHEET, BY ITSELF, DOES NOT CONSTITUTE A FRANCHISE AGREEMENT OR OTHERWISE CONFER ANY FRANCHISE RIGHTS UPON FRANCHISEE. THIS DATA SHEET PROVIDES CERTAIN DEAL-SPECIFIC INFORMATION IN CONNECTION WITH THE FRANCHISE THAT IS GOVERNED BY THE FRANCHISE AGREEMENT TO WHICH THIS DATA SHEET IS AN EXHIBIT.

THE PARTIES AGREE AND ACKNOWLEDGE THAT THE FOREGOING FRANCHISE AGREEMENT MUST BE EXECUTED PRIOR TO OR CONTEMPORANEOUS WITH THIS DATA SHEET FOR ANY RIGHTS TO BE CONFERRED.

IN WITNESS WHEREOF, the undersigned has duly executed this Exhibit to the Franchise Agreement on _____.

FRANCHISEE

_____

By: _____

Name:_____

Title:_____

FRANCHISOR

BUBBAKOO'S FRANCHISE SYSTEMS, LLC

By: _____
Chris Ives, CEO

EXHIBIT B TO THE FRANCHISE AGREEMENT

PERSONAL GUARANTY

NOTE: IF FRANCHISEE IS A CORPORATION, LIMITED LIABILITY COMPANY OR OTHER BUSINESS ENTITY, THEN EACH INDIVIDUAL/ENTITY WITH AN OWNERSHIP INTEREST IN FRANCHISEE (PRINCIPALS/MEMBERS/SHAREHOLDERS/MANAGERS/ PARTNERS/ETC.) AND THEIR RESPECTIVE SPOUSES MUST EXECUTE THIS FORM OF PERSONAL GUARANTY. IF FRANCHISEE IS AN INDIVIDUAL AND FRANCHISEE'S SPOUSE HAS NOT SIGNED THE FRANCHISE AGREEMENT DIRECTLY, THEN FRANCHISEE'S SPOUSE MUST EXECUTE THIS FORM OF PERSONAL GUARANTY.

ARTICLE I
PERSONAL GUARANTY

The undersigned persons (individually and collectively "you") hereby represent to Bubbakoo's Franchise Systems, LLC, a Delaware limited liability company (the "Franchisor") that you are all the owners/principals/members/shareholders/managers/partners, as applicable, of the business entity named _____ (the "Franchisee"), as well as their respective spouses, as of the date this Personal Guaranty (the "Personal Guaranty" or "Guaranty") is executed.

In consideration of the grant by Franchisor to the Franchisee as herein provided, each you hereby agree, in consideration of benefits received and to be received by each of you, jointly and severally, and for yourselves, your heirs, legal representatives and assigns, to be firmly bound by all of the terms, provisions and conditions of the franchise agreement entered into between Franchisee and Franchisor (the "Franchise Agreement"), as well as any other agreement between Franchisee and Franchisor and/or its affiliates, and do hereby unconditionally guarantee the full and timely performance by Franchisee of each and every obligation of Franchisee under the aforesaid Franchise Agreement or other agreement between Franchisor and Franchisee, including, without limitation: (i) any indebtedness of Franchisee arising under or by virtue of the aforesaid Franchise Agreement; (ii) the prohibition of any change in the percentage of Franchisee owned, directly or indirectly, by any person, without first obtaining the written consent of Franchisor prior to said proposed transfer as set forth in the Franchise Agreement; (iii) those obligations related to confidentiality, non-disclosure and indemnification; and (iv) the in-term and post-term covenants against competition, as well as all other restrictive covenants set forth in the Franchise Agreement.

ARTICLE II
CONFIDENTIALITY

During the initial and any renewal terms of the Franchise Agreement and this Guaranty, you will receive information, which Franchisor considers to be Confidential Information, trade secrets and/or confidential information, including without limitation: (i) site-selection criteria for a restaurant business operated utilizing Franchisor's proprietary marks (the "Proprietary Marks") and System (as defined below) (each, a "Restaurant"); (ii) methods, techniques and trade secrets for use in connection with the proprietary business operating system that Franchisor and its affiliates have developed (the "System") for the establishment and operation of a BUBBAKOO'S BURRITOS franchised business (hereafter, a "Franchised Business"); (iii) marketing research and promotional, marketing and advertising programs for the Franchised Business; (iv) knowledge of specification for and suppliers of, and methods of ordering, certain products, fixtures, furnishings, equipment and inventory used at the Franchised Business; (v) knowledge of the operating results and financial performance of other BUBBAKOO'S BURRITOS Restaurants; (vi) customer communication and retention programs, along with data used or generated in connection with those programs; (vii) Franchisor's proprietary Manuals and other instructional manuals, as well as any training

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materials and information Franchisor has developed for use in connection with the System; (viii) information regarding the development of Franchisor's proprietary marks (the "Proprietary Marks"); (ix) information generated by, or used or developed in, the Restaurant's operation, including customer names, addresses, telephone numbers and related information and any other information contained in the Franchised Business's computer system; (x) the design, build-out and any construction/remodeling plans for the interior and exterior of the Franchised Business; (xi) Franchisor's proprietary Operations Manual and other instructional manuals, as well as any training materials and information Franchisor has developed for use in connection with the System; and (xii) any other proprietary information or confidential information that is provided to Franchisee by Franchisor during the term of the Franchise Agreement (collectively, "Confidential Information"). You shall not, during the term of this Agreement or anytime thereafter, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any Confidential Information and trade secrets, including, without limitation: Franchisor's copyrighted materials; price marketing mixes related to the offer and sale of restaurant products and other Approved Services and Products (as defined in the Franchise Agreement); standards and specifications for providing the Approved Services and Products and other merchandise or services offered or authorized for sale by System franchisees; methods, special recipes, ingredients, menu item preparation, and other techniques and know-how concerning the of operation of the Franchised Business, which may be communicated to you or of which you may become apprised by virtue of your role as a guarantor of the Franchisee's obligations under the Franchise Agreement. You also acknowledge and agree that the following also constitutes "Confidential Information" under this Section: (i) former, current and prospective customer information, including customer names and addresses, contracts/agreements (collectively "Customer Lists"), and (ii) sources and pricing matrices of any approved or designated suppliers; and (iii) any and all information, knowledge, know-how, techniques, and other data, which Franchisor designates as confidential.

ARTICLE III
NON-COMPETITION

You acknowledge that as a participant in the Franchisor's System, you will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques which Franchisor has developed. Therefore, to protect Franchisor and all Franchisor's franchisees, you agree as follows:

1. **During the Term of the Franchise Agreement and this Guaranty.** During the term of the Franchise Agreement and this Personal Guaranty, each of the undersigned may not, directly or in-directly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

1.1. Own, maintain, engage in, be employed or serve as an officer, director, or principal of, lease space to, lend money or extend credit to, or have any other interest in or involvement with: (i) any other restaurant or business that (a) is a Mexican-themed fast-food, quick-casual or wrap-style eating establishment, or (b) otherwise generates twenty percent (20%) or more of its revenue from the combined sale of burritos, tacos, taco salads and/or nachos (each, a "Competing Business"); or (ii) offers or grants licenses or franchises, or establishes joint ventures, for the ownership or operation of a Competing Business; provided, however, that this Section does not apply to your operation of a BUBBAKOO'S BURRITOS franchise pursuant to a valid franchise agreement with Franchisor, or your ownership of less than two percent (2%) of the interests in a publicly traded company; or

1.2. Divert or attempt to divert business or customers of any Franchisee-owned Franchised Businesses to any competitor, by direct or indirect inducement or otherwise, or do or perform,

directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks or the System.

2. **After the Term of This Agreement.**

2.1. For a period of two (2) years after the expiration and nonrenewal, transfer or termination of the Franchise Agreement, regardless of the cause, the undersigned may not, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation enter into any business competing in whole or in part with Franchisor in offering or granting franchises or licenses, or establishing joint ventures, for the ownership or operation of a Competing Business. The scope of the non-compete described in this Section shall be the geographical area where Franchisor can demonstrate that it has offered and sold franchises as of the date the Franchise Agreement is terminated or expires (or, if applicable, as of the date Franchisee assigns/transfers the Franchise Agreement).

2.2. For a period of two (2) years after the expiration, transfer or termination of the Franchise Agreement, regardless of the cause, the undersigned may not, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

2.2.1. Own, maintain, engage in, be employed or serve as an officer, director, or principal of, lease space to, lend money or extend credit to, or have any other interest in or involvement with, any Competing Business that is located within a five (5) mile radius of: (i) the perimeter of the Designated Territory granted under the Franchise Agreement; or (ii) any other Restaurant that exists as of the date the Franchise Agreement is terminated or expires (or, if applicable, as of the date Franchisee assigns/transfers the Franchise Agreement);

2.2.2. Contact any of Franchisor's suppliers or vendors for any competitive business purpose; or

2.2.3. Solicit any of Franchisor's employees, or the employees of Franchisor's affiliates, or any other System franchisee to discontinue employment.

3. **Intent and Enforcement**. It is the parties' intent that the provisions of this Article III be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein shall not render any other part unenforceable. In the event of the actual or threatened breach of this Article III by you, any of your principals, or any members of their immediate family, Franchisor shall be entitled to an injunction restraining such person from any such actual or threatened breach. You agree that in the event of the actual or threatened breach of this Article III, Franchisor's harm will be irreparable and that Franchisor has no adequate remedy at law to prevent such harm. You acknowledge and agree that each of you has previously worked or been gainfully employed in other careers and that the provisions of this Article III in no way prevents you from earning a living. You further acknowledge and agree that the time limitation of this Article III shall be tolled during any default under this Guaranty.

ARTICLE IV
DISPUTE RESOLUTION

1. **Acknowledgment**. You acknowledge that this Guaranty is not a franchise agreement and does not confer upon you any rights to use the Franchisor's proprietary marks or its system.

2. **Governing Law.** This Guaranty shall be deemed to have been made in and governed by the laws of the State of New Jersey.

3. **Internal Dispute Resolution.** You must first bring any claim or dispute arising out of or relating to the Franchise Agreement or this Personal Guaranty to Franchisor's Chief Executive Officer and/or President. You agree to exhaust this internal dispute resolution procedure before bringing any dispute before a third party. This agreement to engage in internal dispute resolution first shall survive the termination or expiration of this Agreement.

4. **Mediation.** At Franchisor's option, all claims or disputes between you and Franchisor or its affiliates arising out of, or in any way relating to, the Franchise Agreement, this Guaranty or any other agreement by and between the parties or their respective affiliates, or any of the parties' respective rights and obligations arising from such agreements, which are not first resolved through the internal dispute resolution procedure set forth above, must be submitted first to mediation, in Wall, New Jersey under the auspices of the American Arbitration Association ("AAA"), in accordance with AAA's Commercial Mediation Rules then in effect. Before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, you must submit a notice to Franchisor that specifies, in detail, the precise nature and grounds of such claim or dispute. Franchisor will have a period of thirty (30) days following receipt of such notice within which to notify you as to whether Franchisor or its affiliates elect to exercise our option to submit such claim or dispute to mediation. You may not commence any arbitration proceeding or other action against Franchisor or its affiliates with respect to any such claim or dispute in any court unless Franchisor fails to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by Franchisor. Franchisor may specifically enforce our mediation rights under this Section. Each party shall bear its own cost of mediation, except that you and Franchisor shall share the mediator's fees and costs equally. This agreement to mediate at Franchisor's option shall survive any termination or expiration of the Franchise Agreement and this Guaranty.

4.1. *Excepted Claims.* The parties agree that mediation shall not be required with respect to any claim or dispute involving: (i) any of your payment obligations that are past due; (ii) the actual or threatened disclosure or misuse of Franchisor's Confidential Information; (iii) the actual or threatened violation of Franchisor's rights in, or misuse of, the Proprietary Marks, System or other trade secrets; (iv) any of the restrictive covenants contained in the Franchise Agreement or this Guaranty; or (v) any claims arising out of or related to fraud or misrepresentation by you, or your insolvency (collectively, the "Excepted Claims").

5. **Jurisdiction and Venue**. Subject to the other dispute resolution provisions in this Personal Guaranty, the parties agree that any action at law or in equity instituted against either party to this Agreement must be commenced and litigated to conclusion (unless settled) only in any court of competent jurisdiction located closest to Wall, New Jersey or, if appropriate, the United States District Court for the District of New Jersey. The undersigned hereby irrevocably consent to the jurisdiction of these courts.

6. **Third Party Beneficiaries.** Franchisor's officers, directors, shareholders, agents and/or employees are express third-party beneficiaries of this Agreement and the mediation and other dispute resolution provisions contained herein, each having authority to specifically enforce the right to mediate and litigate claims asserted against such person(s) by you.

7. **Right to Injunctive Relief.** Nothing contained in this Guaranty shall prevent Franchisor from applying to or obtaining from any court having jurisdiction a writ of attachment, temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect Franchisor's interest prior to the filing of any mediation or arbitration proceeding, or pending the trial or handing down of a decision or award pursuant to any mediation or arbitration proceeding conducted hereunder. If injunctive relief is

granted, your only remedy will be the court's dissolution of the injunctive relief. If the injunctive relief was wrongfully issued, you expressly waive all claims for damages you incurred as a result of the wrongful issuance.

8. **JURY TRIAL AND CLASS ACTION WAIVER. THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR FRANCHISEE'S PURCHASE FROM FRANCHISOR OF THE FRANCHISE AND/OR ANY GOODS OR SERVICES. THE PARTIES AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE SALE OF THE FRANCHISED BUSINESS, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN FRANCHISEE, FRANCHISEE'S GUARANTORS AND FRANCHISOR OR ITS AFFILIATES/OFFICERS/EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.**

9. **Limitation of Action.** You further agree that no cause of action arising out of or under this Guaranty may be maintained by you unless brought before the expiration of one year after the act, transaction or occurrence upon which such action is based or the expiration of one year after you become aware of facts or circumstances reasonably indicating that you may have a claim against us, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense or set-off.

10. **Punitive Damages.** You hereby waive to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) which you may have against us, arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, that your recovery shall be limited to actual damages. If any other term of this Guaranty is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

11. **Costs and Attorneys' Fees.** Whether or not formal legal proceedings are initiated, in the event Franchisor incurs any legal fees or other costs associated with enforcing the terms of this Guaranty or the Franchise Agreement against you, then Franchisor will be entitled to recover from you all costs and expenses, including reasonable attorneys' fees, incurred in enforcing the terms of this Guaranty or the Franchise Agreement.

12. **Nonwaiver.** Franchisor's failure to insist upon strict compliance with any provision of this Guaranty shall not be a waiver of our right to do so, any law, custom, usage or rule to the contrary notwithstanding. Delay or omission by us respecting any breach or default shall not affect Franchisor's rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Guaranty shall be cumulative. Your election to exercise any remedy available by law or contract shall not be deemed a waiver or preclude exercise of any other remedy.

13. **No Personal Liability.** You agree that fulfillment of any and all of Franchisor's obligations written in the Franchise Agreement or this Guaranty, or based on any oral communications which may be ruled to be binding in a court of law, shall be Franchisor's sole responsibility and none of our owners, officers, agents, representatives, nor any individuals associated with Franchisor shall be personally liable to you for any reason. This is an important part of this Guaranty. You agree that nothing that you believe you have been told

by us or our representatives shall be binding unless it is written in the Franchise Agreement or this Guaranty. Do not sign this Agreement if there is any question concerning its contents or any representations made.

14. **Severability.** The parties agree that if any provisions of this Guaranty may be construed in two ways, one of which would render the provision illegal or otherwise voidable or unenforceable and the other which would render it valid and enforceable, such provision shall have the meaning, which renders it valid and enforceable. The language of all provisions of this Guaranty shall be construed according to fair meaning and not strictly construed against either party. The provisions of this Guaranty are severable, and this Guaranty shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and partially valid and enforceable provisions shall be enforced to the extent that they are valid and enforceable. If any material provision of this Guaranty shall be stricken or declared invalid, the parties agree to negotiate mutually acceptable substitute provisions. In the event that the parties are unable to agree upon such provisions, Franchisor reserves the right to terminate this Guaranty.

15. **Construction of Language.** Any term defined in the Franchise Agreement which is not defined in this Guaranty will be ascribed the meaning given to it in the Franchise Agreement. The language of this Guaranty will be construed according to its fair meaning, and not strictly for or against either party. All words in this Guaranty refer to whatever number or gender the context requires. If more than one party or person is referred to as you, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.

16. **Successors.** References to "Franchisor" or "the undersigned," or "you" include the respective parties' heirs, successors, assigns or transferees.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Guaranty on the date stated on the first page hereof.

PERSONAL GUARANTORS

_____	_____
[Insert Name of Guarantor]	[Insert Name of Spouse]
_____	_____
[Insert Name of Guarantor]	[Insert Name of Spouse]
_____	_____
[Insert Name of Guarantor]	[Insert Name of Spouse]
_____	_____
[Insert Name of Guarantor]	[Insert Name of Spouse]

EXHIBIT C TO THE FRANCHISE AGREEMENT

CONSENT AND AGREEMENT OF LANDLORD FORM AND COLLATERAL ASSIGNMENT OF LEASE FORM

CONSENT AND AGREEMENT OF LANDLORD

The undersigned Landlord hereby:

A. Agrees that the leased Premises will only be used in connection with the operation of Franchisee's BUBBAKOO'S BURRITOS Restaurant franchised business;

B. Agrees that Franchisor has the right to enter the Premises to (a) make any modifications necessary to protect Franchisor's Proprietary Marks, or (b) otherwise exercise or enforce Franchisor's rights under the Franchise Agreement;

C. Agrees to allow Franchisee, upon written request from Franchisor, to provide Franchisor with a current copy of the lease;

D. Agrees to notify Franchisor in writing of and upon the failure of Franchisee to cure any default by Franchisee under the Lease, and also provide Franchisor with the right to cure said default under the Lease within thirty (30) days of being notified (but Franchisor is under no obligation to do so);

E. Agrees that Franchisor will have the option, but not the obligation, to assume or renew the lease and the occupancy of the business Premises, including the right to sublease to another Franchisee, for all or any part of the remaining term of the lease, upon Franchisee's default or termination hereunder or upon Franchisee's default or termination or expiration of the Franchise Agreement, and in connection with said assumption Franchisor will not be obligated to pay to the landlord past due rent, common area maintenance, and other charges attributable to more than one (1) month. The landlord shall give Franchisor thirty (30) days, upon termination of Franchisee's rights under the lease, to exercise this option; and

F. Agrees that the lease may not be materially amended, assigned, or sublet without Franchisor's prior written approval.

Dated: _____

LANDLORD
CORPORATE SIGNATURE:

a/an _____ corporation

By: _____ By: _____

Its: _____ Its: _____

SIGNED and SEALED this _____ day of _____, 20___

_____ Notary Public

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COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned ("Assignor") hereby assigns and transfers to Bubbakoo's Franchise Systems, LLC ("Assignee"), all of Assignor's right, title and interest as tenant in, to and under that certain lease, a copy of which is attached hereto as Schedule 1 (the "Lease") respecting premises commonly known as _____ (the "Premises").

This Assignment is for collateral purposes only and except as specified herein, Assignee has no liability or obligation of any kind whatsoever arising from or in connection with this Assignment or the Lease unless: (i) Assignee provides express, written notice to both Assignor and the landlord of the Premises under the Lease that Assignee is assuming all of Assignor's rights, title and interest under the Lease pursuant to this assignment; and (ii) Assignee takes possession of the Premises demised by the Lease pursuant to the terms hereof, and assumes the obligations of Assignor thereunder.

Assignor represents and warrants to Assignee that it has full power and authority to so assign the Lease and its interest therein and that Assignor has not previously assigned or transferred, and is not obligated to assign or transfer, any of its interest in the Lease or the premises demised thereby.

Upon a default and failure to cure (within the appropriate time period) by Assignor under the Lease or under the franchise agreement for a Franchised Business between Assignee and Assignor (the "Franchise Agreement"), or in the event of a default by Assignor under any document or instrument securing the Franchise Agreement, or upon expiration or termination of the Franchise Agreement, Assignee has the right and is hereby empowered to take possession of the premises demised by the Lease, expel Assignor therefrom, and, in such event, Assignor will have no further right, title or interest in the Lease. Assignor hereby authorizes the Lessor to disclose to Assignee, upon its request, sales and other information furnished to the Lessor by Assignor.

Assignor agrees that it will not suffer or permit any surrender, termination, amendment or modification of the Lease without the prior written consent of Assignee. Throughout the term of the Franchise Agreement and any renewals thereto, Assignor agrees that it must elect and exercise all options to extend the term of or renew the Lease not less than 120 days prior to the last day that the option must be exercised, unless Assignee otherwise agrees in writing. If Assignee does not otherwise agree in writing, and upon failure of Assignor to so elect to extend or renew the Lease as aforesaid, Assignor hereby appoints Assignee as its true and lawful attorney-in-fact to exercise such extension or renewal options in the name, place and stead of Assignor for the purpose of effecting such extension or renewal.

ASSIGNOR:

Dated:_____ _____

_____

SIGNED AND SEALED this __
day of _____, 20___

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EXHIBIT D TO THE FRANCHISE AGREEMENT

EFT AUTHORIZATION FORM

Bank Name: _____
ABA# : _____
Acct. No.: _____
Acct. Name: _____

Effective as of the date of the signature below, **[Franchisee Name]** (the "Franchisee") hereby authorizes Bubbakoo's Franchise Systems, LLC (the "Company") or its designee to withdraw funds from the above-referenced bank account, electronically or otherwise, to cover the following payments that are due and owing Company or its affiliates under the franchise agreement dated _____(the "Franchise Agreement") for the franchised business located at: _____ (the "Franchised Business"): (i) all Royalty Fees; (ii) Fund Contributions (if a Fund is established); (iii) (iii) any amounts due and owing the Company or its affiliates in connection with marketing materials or other supplies or inventory that is provided by Company or its affiliates; and (iv) all other fees and amounts due and owing to Company or its affiliates under the Franchise Agreement. Franchisee acknowledges each of the fees described above may be collected by the Company (or its designee) as set forth in the Franchise Agreement.

The parties further agree that all capitalized terms not specifically defined herein will be afforded the definition they are given in the Franchise Agreement.

Such withdrawals shall occur on a weekly basis, or on such other schedule as Company shall specify in writing. This authorization shall remain in full force and effect until terminated in writing by Company. **[Franchisee Name]** shall provide Company, in conjunction with this authorization, a voided check from the above-referenced account.

AGREED:

FRANCHISEE

[INSERT FRANCHISEE NAME]

By: _____

Name (Print): _____

Its: _____

FRANCHISOR APPROVAL

BUBBAKOO'S FRANCHISE SYSTEMS, LLC

By: _____
Chris Ives, CEO

Please attach a voided blank check, for purposes of setting up Bank and Transit Numbers.

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EXHIBIT E TO THE FRANCHISE AGREEMENT

CONFIDENTIALITY AND RESTRICTIVE COVENANT AGREEMENT
(for trained employees, officers, directors, general partners, members, Designated Managers and any other management personnel of Franchisee)

In consideration of my being a [INSERT TITLE/ROLE WITH FRANCHISEE] of _____ (the "Franchisee"), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I (the undersigned) hereby acknowledge and agree that Franchisee has acquired the right from Bubbakoo's Franchise Systems, LLC (the "Company") to: (i) establish and operate a BUBBAKOO'S BURRITOS Restaurant franchised business (the "Franchised Business"); and (ii) use in the operation of the Franchised Business the Company's trade names, trademarks and service marks (collectively, the "Proprietary Marks") and the Company's unique and distinctive format and system relating to the establishment and operation of BUBBAKOO'S BURRITOS Restaurant businesses (the "System"), as they may be changed, improved and further developed from time to time in the Company's sole discretion, only at the following authorized and approved location: _____ (the "Premises").

1. The Company possesses certain proprietary and confidential information relating to the operation of the Franchised Business and System generally, including without limitation: Company's proprietary and confidential Operations Manual and other manuals providing guidelines, standards and specifications related to the establishment and operation of the Franchised Business (collectively, the "Manual"); Franchisor's proprietary training materials and programs, as well as proprietary marketing methods and other instructional materials, trade secrets; information related to any other proprietary methodology or aspects of the System or the establishment and continued operation of the Franchised Business; financial information; any and all customer lists, contracts and other customer information obtained through the operation of the Franchised Business and other BUBBAKOO'S BURRITOS Restaurant businesses; any information related to any type of proprietary software that may be developed and/or used in the operation of with the Franchised Business; and any techniques, special recipes, ingredients, menu item preparation, methods, and know-how related to the operation of BUBBAKOO'S BURRITOS Restaurant business or otherwise used in connection with the System, which includes certain trade secrets, copyrighted materials, methods and other techniques and know-how (collectively, the "Confidential Information").

2. Any other information, knowledge, know-how, and techniques which the Company specifically designates as confidential will also be deemed to be Confidential Information for purposes of this Agreement.

3. As [INSERT TITLE WITH RESPECT TO FRANCHISEE] of the Franchisee, the Company and Franchisee will disclose the Confidential Information to me in furnishing to me the training program and subsequent ongoing training, the Manual, and other general assistance during the term of this Agreement.

4. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Franchised Business during the term hereof, and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition.

5. The Confidential Information is proprietary, involves trade secrets of the Company, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by the Company as confidential. Unless the Company otherwise agrees in writing, I will disclose and/or use the Confidential

Information only in connection with my duties as [INSERT TITLE] of the Franchisee, and will continue not to disclose any such information even after I cease to be in that position and will not use any such information even after I cease to be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement.

6. Except as otherwise approved in writing by the Company, I shall not, while in my position with the Franchisee, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or limited liability company, own, maintain, engage in, be employed by, or have any interest in: (i) any other restaurant or business that (a) is a Mexican-themed fast-food, quick-casual or wrap-style eating establishment, or (b) otherwise generates twenty percent (20%) or more of its revenue from the combined sale of burritos, tacos, taco salads and/or nachos (each, a "Competing Business"); or (ii) grants or has granted franchises or licenses, or establishes or has established joint ventures, for any Competing Business. I also agree that I will not undertake any action to divert business from the Franchised Business to any Competing Business, or solicit any of the former customers or employees of Franchisee for any competitive business purpose.

6.1 *Post-Term Restrictive Covenant for Designated Manager of Franchised Business or Manager/Officers/Directors of Franchisee*. In the event I am a manager of the Franchised Business, or an officer/director/manager/partner of Franchisee that has not already executed a Personal Guaranty agreeing to be bound by the terms of the Franchise Agreement, then I further agree that I will not be involved in a Competing Business of any kind for a period of two (2) years after the expiration or termination of my employment with Franchisee for any reason: (i) at or within a five (5) mile radius of the Premises; or (ii) within a five (5) mile radius of any other BUBBAKOO'S BURRITOS Restaurant that exists at the time my employment with Franchisee ceases. During the two (2) year period described in this Section, I also agree that I will not: (a) be involved in the franchising or licensing of any Competing Business at any location within the United States where the Company can demonstrate it has offered or sold franchises as of the date my employment ceases with Franchisee; (b) undertake any action to divert business from the Franchised Business to any Competing Business; or (c) solicit any of the former customers or employees of Franchisee for any competitive business purpose.

7. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which the Company is a party, I expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

8. I understand and acknowledge that the Company shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof; and I agree to comply forthwith with any covenant as so modified.

9. The Company is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause the Company and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or the Company may apply for the issuance of an injunction preventing me from violating this Agreement, and I agree to pay the Franchisee and the Company all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisee and the Company, any claim I have against the Franchisee or the Company is a separate matter and does not entitle me to violate, or justify any violation of this Agreement.

10. This Agreement shall be construed under the laws of New Jersey. The only way this Agreement can be changed is in writing signed by both the Franchisee and me.

IN WITNESS WHEREOF, this Agreement is made and entered into by the undersigned parties as of the Effective Date.

UNDERSIGNED

Signature: _____

Name: _____

Address: _____

Title: _____

ACKNOWLEDGED BY FRANCHISEE

[FRANCHISEE NAME]

By: _____

Title: _____

EXHIBIT F TO THE FRANCHISE AGREEMENT

CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND DOMAIN NAMES

1. _____, doing business as BUBBAKOO'S BURRITOS Restaurant (the "Assignor"), in exchange for valuable consideration provided by Bubbakoo's Franchise Systems (the "Assignee"), receipt of which is hereby acknowledged hereby conditionally assigns to Assignee all telephone numbers, facsimile numbers, domain names, as well as any listings associated therewith, utilized by Assignor in the operation of its BUBBAKOO'S BURRITOS franchised business located at _____ (collectively, the "Assigned Property"). The Assigned Property includes the following:

Telephone Number(s): _____
Facsimile Number(s): _____
Domain Name(s) (as permitted by Franchisor under the Franchise Agreement): _____
_____.

2. The conditional agreement will become effective automatically upon termination, expiration of Assignor's franchise. Upon the occurrence of that condition, Assignor must do all things required by the telephone company and/or domain name registrar to assure the effectiveness of the assignment of Assigned Property as if the Assignee had been originally issued such Assigned Property and the usage thereof.

3. Assignor agrees to pay the telephone company and/or domain name registrar, on or before the effective date of assignment, all amounts owed for the use of the Assigned Property up to the date this Assignment becomes effective. Assignor further agrees to indemnify Assignee for any sums Assignee must pay the telephone company or domain name registrar to effectuate this agreement, and agrees to fully cooperate with the telephone company and/or domain name registrar, as well as the Assignee, in effectuating this assignment.

ASSIGNOR

By: _____ Date: _____

Title:_____

ASSIGNEE

BUBBAKOO'S FRANCHISE SYSTEMS, LLC

By: _____ Date: _____
Chris Ives, CEO

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EXHIBIT C
TO THE BUBBAKOO'S FRANCHISE SYSTEMS, LLC
FRANCHISE DISCLOSURE DOCUMENT

AREA DEVELOPMENT AGREEMENT

DEVELOPMENT AGREEMENT

This Development Agreement ("Agreement") entered into on _____ (the "Effective Date"), between: (i) Bubbakoo's Franchise Systems, LLC, a Delaware limited liability company, with its principal business address at 1670 Route 34 North, Suite 1C, Wall, New Jersey 07727 (hereafter "Franchisor"); and (ii) _____, a/an _____ with an address at _____ (hereinafter "Developer").

Background

A. Franchisor and its affiliate/principals, as a result of the expenditure of time, skill, effort, and money, have developed and own a unique system (the "System") related to the development and operation of a quick casual restaurant featuring a menu of Mexican-inspired cuisine, including burritos, tacos, quesadillas, nachos, taco salads and "Chiwawas", along with other specialty items, sides, desserts, beverages and menu items that Franchisor authorizes (collectively, the "Approved Products"), utilizing the System and proprietary marks (each, a "Restaurant").

B. Franchisor's System is comprised of various proprietary and, in some cases, distinguishing elements, including without limitation: proprietary methodology and procedures for the establishment and operation of a Restaurant; site selection guidance and criteria; specifications for the design, layout and construction of the interior of the Restaurant; standards and specifications for the furniture, fixtures and equipment located within a Restaurant; established relationships with approved or designated suppliers for certain products and services; and standards and specifications for advertising, bookkeeping, sales and other aspects of operating a Restaurant. The parties agree and acknowledge that Franchisor may change, improve, further develop, or otherwise modify the System from time to time as it deems appropriate in its discretion. Franchisee hereby acknowledges and agrees that: (i) while the System and Franchisor's related materials contain information that, in isolated form, could be construed as being in the public domain, they also contain significant proprietary and confidential information which makes the System unique as a whole; and (ii) the combined methods, information, procedures, and theories that make up the total System or are contained in the relevant manuals that are proprietary and confidential.

C. The System and Restaurants are identified by the mark BUBBAKOO'S BURRITOS, as well as certain other trade names, trademarks, service marks and trade dress that Franchisor designates for use in connection with each Restaurant (collectively, the "Proprietary Marks"), all of which Franchisor may modify, update, supplement or substitute in the future as Franchisor deems appropriate. The parties agree and acknowledge that Franchisor has established substantial goodwill and business value in its Proprietary Marks, expertise, and System.

D. Franchisor grants qualified third parties the right to develop multiple BUBBAKOO'S BURRITOS Restaurants within a defined geographical area (the "Development Area") in accordance with a development schedule that must be strictly adhered to, with each Restaurant within the Development Area being opened and operating utilizing the Marks and System pursuant to the terms and conditions set forth in a separate form of Franchisor's then-current franchise agreement (each, a "Franchise Agreement").

E. Developer recognizes the benefits from receiving the right to operate a BUBBAKOO'S BURRITOS Restaurant sand desires to: (i) become a multi-unit Restaurant operator subject to the terms of this Agreement; and (ii) receive the benefits provided by Franchisor under this Agreement.

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F. Developer has applied for the right to open and operate multiple BUBBAKOO'S BURRITOS Restaurants within the Development Area as set forth in this Agreement, and Franchisor has approved such application in reliance on Developer's representations made therein.

G. Developer hereby acknowledges that adherence to the terms of this Agreement, including Franchisor's operations manual and other System standards and specifications, are essential to the operation of all BUBBAKOO'S BURRITOS Restaurants and our System as a whole.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

Agreement

1. **Development Area.** Franchisor grants Developer the right, and Developer undertakes the obligation, to develop and establish _____ Restaurants within the Development Area defined in Exhibit "A" hereto, provided Developer opens and commences operations of such Restaurants in strict accordance with the mandatory development schedule also set forth in Exhibit "A" (the "Development Schedule") and otherwise subject to the terms and conditions set forth herein. During the term of this Agreement and except as provided herein, Franchisor will not open or operate, or license any third party the right to open or operate, any Restaurants within the Development Area.

2. **Development Fee.** Developer shall pay Franchisor a Development Fee equal to $_____ (the "Development Fee") for the right to develop the foregoing Franchised Businesses within the Development Area under this Agreement, which is: (i) deemed fully earned upon payment and is not refundable under any circumstances; and (ii) payable in accordance with the schedule set forth in this Section 3 below.

2.1 The parties agree and acknowledge that the Development Fee is comprised of: (i) the consideration for the territorial rights granted within the Development Area (referred to as the "Initial Development Fee" below); and (ii) the initial fees payable for the right to own and operate the initial Franchised Business that Developer is granted the right to open within the Development Area under this Agreement (the "Initial Franchised Business") and each additional Franchised Business that Franchisor has granted Developer the right to open hereunder (each, an "Additional Franchised Business").

2.2 Developer must pay Franchisor the overall Development Fee in accordance with the following schedule: (i) immediately upon execution of this Agreement, Developer must pay an amount equal to $35,000, plus $10,000 for each Additional Franchised Business granted hereunder (the "Initial Development Fee"); and (ii) $10,000 in connection with each Additional Franchised Business, which is due and owing to Franchisor upon the earlier of (a) 10 days from the date that a lease is executed in connection with that Additional Franchised Business, or (b) the date a Franchised Agreement is executed in connection with that Additional Franchised Business (each, a "Subsequent Development Payment"). While only the Initial Development Fee will be due upon execution of this Agreement, the parties agree and acknowledge that the entire Development Fee, including all Subsequent Development Payments, will be deemed fully earned and non-refundable upon execution of this Agreement.

Initials: _____

3. **Initial Franchise Agreement**. Contemporaneous with the execution of this Agreement, Developer must enter into Franchisor's current form of Franchise Agreement for the first Restaurant that Developer is required to open within the Development Area. In the event Developer is a business entity of any

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kind, then Developer's principals/owners must each execute the form of personal guaranty attached to the foregoing Franchise Agreement, as well as any additional Franchise Agreements described in Section 4 of this Agreement.

4. **Additional Franchise Agreements.** Developer agrees and acknowledges that it must: (i) enter into Franchisor's then-current form of Franchise Agreement for each additional Restaurant that Developer is required to open under this Agreement; and (ii) enter into such Franchise Agreements at such times that are required for Developer to timely meet, and strictly adhere to, its obligations under the agreed upon Development Schedule.

5. **Development Obligations.** Developer must ensure that, at a minimum, Developer: (i) opens and commences operations of the initial new Restaurant during each development period set forth in the Development Schedule (each, a "Development Period");and (ii) has the minimum cumulative number of Restaurants open and operating at the expiration of each Development Period. The parties agree and acknowledge that time is of the essence with respect to the foregoing development obligations, and that Developer's failure to comply with the Development Schedule is grounds for immediate termination of this Agreement (and any future development rights granted hereunder).

6. **Term and Termination.**

6.1 This Agreement will commence as of the date it is fully executed and, unless earlier terminated by Franchisor, will end on the earlier of (a) the last day of the calendar month that the final Restaurant is required to be opened and operating under the Development Schedule or (b) the day the final Restaurant is open. Upon expiration or termination of this Agreement for any reason, Developer will not have any rights within the Development Area other than the territorial rights granted in connection with any Restaurants that Developer has opened and commenced operating as of the date this Agreement is terminated or expires (under the respective Franchise Agreement(s) that Developer entered into for such Franchised Business(es)).

6.2 Franchisor will have the right, at its option, to terminate this Agreement and all rights granted to Developer hereunder, without affording Developer any opportunity to cure such default, effective upon written notice to Developer, upon the occurrence of any of the following events: (i) if Developer ceases to actively engage in development activities in the Development Area or otherwise abandons its development business for three (3) consecutive months, or any shorter period that indicates an intent by Developer to discontinue development of the Restaurants within the Development Area; (ii) if Developer becomes insolvent or is adjudicated bankrupt, or if any action is taken by Franchisee, or by others against the Developer, under any insolvency, bankruptcy or reorganization act, or if Developer makes an assignment for the benefit or creditors or a receiver is appointed by the Developer; (iii) if Developer fails to meet its development obligations under the Development Schedule for any single Development Period, including any failure to pay any portion of the Development Fee and fails to cure such default within 30 days of receiving notice thereof; and (iv) if any Franchise Agreement that is entered into in order to fulfill Developer's development obligations under this Agreement is terminated or subject to termination by Franchisor, pursuant to the terms of that Franchise Agreement.

7. **Reservation of Rights.** Except as provided in Section 1 of this Agreement, the parties agree and acknowledge that the rights granted in this Agreement are non-exclusive and that Franchisor and its affiliates reserve all other rights not expressly granted to Developer herein.

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8. **Sale or Assignment.** Developer's rights under this Agreement are personal and Developer may not sell, transfer, or assign any right granted herein without Franchisor's prior written consent, which may be withheld in its sole discretion. Notwithstanding, if Developer is an individual or a partnership, Developer has the right to assign its rights under this Agreement to a corporation or limited liability company that is wholly owned by Developer according to the same terms and conditions as provided in Developer's initial Franchise Agreement. Franchisor has the right to assign this Agreement in whole or in part in its sole discretion.

9. **Acknowledgment**. Developer acknowledges that this Agreement is not a Franchise Agreement and does not confer upon Developer any rights to use the Franchisor's Marks or System.

10. **Notices**. All notices, requests and reports to be given under this Agreement are to be in writing, and delivered by either hand, overnight mail, or certified mail, return receipt requested, prepaid, to the addresses set forth above (which may be changed by written notice).

11. **Choice of Law.** This Agreement will be governed by the laws of the State of New Jersey (without reference to its conflict of laws principals).

12. **Internal Dispute Resolution.** Developer must first bring any claim or dispute between Developer and Franchisor to Franchisor's President, after providing Franchisor with notice of and a reasonable opportunity to cure an alleged breach hereunder. Developer must exhaust this internal dispute resolution procedure before bringing a dispute before a third party. This agreement to first attempt resolution of disputes internally will survive termination or expiration of this Agreement.

13. **Mediation**. At Franchisor's option, all claims or disputes between Franchisor and Developer or its affiliates arising out of, or in any way relating to, this Agreement or any other agreement by and between Franchisor and Developer or its affiliates, or any of the parties' respective rights and obligations arising from such agreement, which are not first resolved through the internal dispute resolution procedure sent forth in Section 12 above, must be submitted first to mediation, in Wall, New Jersey under the auspices of the American Arbitration Association ("AAA"), in accordance with AAA's Commercial Mediation Rules then in effect. Before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, Developer must submit a notice to Franchisor, which specifies, in detail, the precise nature and grounds of such claim or dispute. Franchisor will have a period of thirty (30) days following receipt of such notice within which to notify Developer as to whether Franchisor or its affiliates elects to exercise its option to submit such claim or dispute to mediation. Developer may not commence any action against Franchisor or its affiliates with respect to any such claim or dispute in any court unless Franchisor fails to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by Franchisor. Franchisor's rights to mediation, as set forth herein, may be specifically enforced by Franchisor. This agreement to mediate will survive any termination or expiration of this Agreement. The parties agree that there will be no class action mediation.

14. **Injunctive Relief.** Nothing contained in this Agreement herein will prevent Franchisor from applying to or obtaining from any court having jurisdiction, without bond, a writ of attachment, temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect Franchisor's interests prior to the filing of any mediation proceeding or pending the trial or handing down of a decision or award pursuant to any mediation proceeding conducted hereunder.

15. **Jurisdiction and Venue.** Subject to Sections 13 and 14 above, the parties expressly agree to the jurisdiction and venue of any state court of general jurisdiction closest to Wall, New Jersey and the

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jurisdiction and venue of the United States District Court for the District of New Jersey. Developer acknowledge that this Agreement has been entered into in the State of New Jersey, and that Developer will receive valuable and continuing services emanating from Franchisor's headquarters in New Jersey, including but not limited to training, assistance, support and the development of the System. In recognition of such services and their origin, Developer hereby irrevocably consents to the personal jurisdiction of the state and federal courts of New Jersey set forth above.

16. **Third Party Beneficiaries.** Franchisor's officers, directors, shareholders, agents and/or employees are express third party beneficiaries of this Agreement and the dispute resolution procedures contained herein, each having authority to specifically enforce the right to mediate claims asserted against such person(s) by Developer.

17. **Jury Trial Waiver.** With respect to any proceeding not subject to mediation, the parties hereby agree to waive trial by jury in any action, proceeding or counterclaim, whether at law or equity, regardless of which party brings suit. This waiver will apply to any matter whatsoever between the parties hereto which arises out of or is related in any way to this Agreement, the performance of either party, and/or Developer's purchase from Franchisor of the development rights described herein.

18. **Waiver of Punitive Damages.** Developer waives to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) which Developer may have against Franchisor arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, Developer's recovery will be limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions will continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

19. **Attorneys' Fees.** If either party institutes any judicial or mediation proceeding to enforce any monetary or nonmonetary obligation or interpret the terms of this Agreement and Franchisor prevails in the action or proceeding, Developer will be liable to Franchisor for all costs, including reasonable attorneys' fees, incurred in connection with such proceeding.

20. **Nonwaiver.** Franchisor's failure to insist upon strict compliance with any provision of this Agreement will not be a waiver of Franchisor's right to do so, any law, custom, usage or rule to the contrary notwithstanding. Delay or omission by Franchisor respecting any breach or default will not affect Franchisor's rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Agreement will be cumulative. Franchisor's election to exercise any remedy available by law or contract will not be deemed a waiver or preclude exercise of any other remedy.

21. **Severability.** The parties agree that if any provisions of this Agreement may be construed in two ways, one of which would render the provision illegal or otherwise voidable or unenforceable and the other which would render it valid and enforceable, such provision will have the meaning, which renders it valid and enforceable. The provisions of this Agreement are severable, and this Agreement will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and partially valid and enforceable provisions will be enforced to the extent that they are valid and enforceable. If any material provision of this Agreement will be stricken or declared invalid, the parties agree to negotiate mutually acceptable substitute provisions. In the event that the parties are unable to agree upon such provisions, Franchisor reserves the right to terminate this Agreement.

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22. **Construction of Language.** The language of this Agreement will be construed according to its fair meaning, and not strictly for or against either party. All words in this Agreement refer to whatever number or gender the context requires. If more than one party or person is referred to as Developer, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.

23. **Successors**. References to "Franchisor" or "Developer" include the respective parties' successors, assigns or transferees, subject to the limitations of Section 8 of this Agreement.

24. **Additional Documentation.** You must from time to time, subsequent to the date first set forth above, at Franchisor's request and without further consideration, execute and deliver such other documentation or agreements and take such other action as Franchisor may reasonably require in order to effectuate the transactions contemplated in this Agreement. In the event that Developer fails to comply with the provisions of this Section, Developer hereby appoints Franchisor as Developer's attorney-in-fact to execute any and all documents on Developer's behalf, as reasonably necessary to effectuate the transactions contemplated herein.

25. **No Right to Offset.** Developer may not withhold all or any part of any payment to Franchisor or any of its affiliates on the grounds of the alleged nonperformance of Franchisor or any of its affiliates or as an offset against any amount Franchisor or any of its affiliates may owe or allegedly owe Developer under this Agreement or any related agreements.

26. **State Law Applies.** If any provision of this Agreement, including but not limited to its provisions for transfer, renewal, termination, notice of termination, or cure rights, is inconsistent with any valid law or regulation of the state in which Developer's initial Restaurant is located, then the valid law or regulation of that state applicable to the franchised business will supersede any provision of this Agreement that is less favorable to Developer.

27. **Entire Agreement**. This Agreement contains the entire agreement between the parties concerning Developers' development rights within the Development Area; no promises, inducements or representations (other than those in the Franchise Disclosure Document) not contained in this Agreement have been made, nor will any be of any force or effect, or binding on the parties. Modifications of this Agreement must be in writing and signed by both parties. Franchisor reserves the right to change Franchisor's policies, procedures, standards, specifications or manuals at Franchisor's discretion. In the event of a conflict between this Agreement and any Franchise Agreement(s), the terms, conditions and intent of this Agreement will control. Nothing in this Agreement, or any related agreement, is intended to disclaim any of the representations Franchisor made to Developer in the Franchise Disclosure Document that Franchisor provided to Developer.

[The remainder of this page is intentionally left blank.
Signatures appear on the following page.]

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IN WITNESS WHEREOF, AND INTENDING TO BE LEGALLY BOUND HEREBY, THE PARTIES HERETO HAVE CAUSED THIS AGREEMENT TO BE EXECUTED EFFECTIVE THE DATE FIRST SET FORTH ABOVE.

FRANCHISOR:

BUBBAKOO'S FRANCHISE SYSTEMS, LLC

By: _____

Print Name: _____

Title: _____

Date: _____

DEVELOPER:

_____

IF AN INDIVIDUAL:

By: _____

Print Name: _____

Date: _____

Spouse Signature: _____

Spouse Name: _____

Date: _____

IF A PARTNERSHIP, CORPORATION, OR OTHER ENTITY:

By: _____

Print Name: _____

Title: _____

Date: _____

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EXHIBIT A to DEVELOPMENT AGREEMENT

DEVELOPMENT AREA AND DEVELOPMENT SCHEDULE

1. **Development Area.** The Development Area, as referred to in Section 1 of the Development Agreement, is described below (or an attached map) by geographic boundaries and will consist of the following area or areas:

_____

_____

_____

2. **Development Schedule.** The Development Schedule referred to in Section 1 of the Development Agreement is as follows:

Development Period	Expiration Date	Number of New Restaurants Developer Must Open in Development Area	Cumulative Number of Restaurants Developer Must Have Open Within Development Area
First	___Months from Effective Date		
Second	___Months from Effective Date		
Third	___ Months from Effective Date		

APPROVED BY:

FRANCHISOR	**DEVELOPER**
BUBBAKOO'S FRANCHISE SYSTEMS, LLC	**[INSERT NAME]**
By: _____	By: _____
Name: _____	[Name], [Title]
Title: _____	

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EXHIBIT D
TO THE BUBBAKOO'S FRANCHISE SYSTEMS, LLC
FRANCHISE DISCLOSURE DOCUMENT

CONVERSION ADDENDUM

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CONVERSION ADDENDUM TO BUBBAKOO'S FRANCHISE SYSTEMS, LLC'S FRANCHISE AGREEMENT

This Conversion Addendum to the Bubbakoo's Franchise Systems, LLC Franchise Agreement (the "Addendum") is made this ____ day of _____, 20___ by and between: (i) Bubbakoo's Franchise Systems, LLC, a Delaware limited liability company with its principal place of business at 1670 Route 34 North, Suite 1C, Wall, New Jersey 07727 (the "Franchisor"); and (ii) _____, a (resident of) (corporation organized in) (limited liability company organized in) _____ with a business address at _____ (the "Franchisee").

BACKGROUND

A. Contemporaneous with the execution of this Addendum, Franchisee entered into Franchisor's standard form of single unit franchise agreement (the "Franchise Agreement") for a term of 10 years, pursuant to which Franchisee obtained the right and undertook the obligation to operate a single BUBBAKOO'S BURRITOS franchised business (the "Franchised Business") within a defined geographical area defined as the "Designated Territory" therein (the "Designated Territory").

B. Prior to, and at the time of, Franchisee's execution of the Franchise Agreement, Franchisee is the owner and operator of an existing restaurant operated under the mark [INSERT NAME OF EXISTING BUSINESS] (the "Existing Business") located at _____ (the "Existing Location").

C. Franchisee wishes to convert its Existing Business into the Franchised Business that operates utilizing Franchisor's Proprietary Marks and System in accordance with the terms of the Franchise Agreement and Franchisor's standards and specifications, which Franchisor may set forth and modify from time to time in Franchisor's confidential operations manuals (the "Manuals") and otherwise in writing.

D. Prior to entering into the Franchise Agreement, Franchisor has inspected the Existing Location and otherwise evaluated the operations and certain financial information of the Existing Business to ensure that the Existing Business meets Franchisor's then-current minimum criteria to convert an existing restaurant business into a franchised business that operates under Franchisor's Proprietary Marks and System, as set forth in Schedule 1 to this Addendum (collectively, the "Conversion Criteria").

E. Based on the foregoing inspection and evaluation, as well as Franchisee's representation and warranty that the Existing Business meets the Conversion Criteria, Franchisor has determined that the Existing Business does meet the Conversion Criteria and is willing to permit Franchisee to convert its Existing Business into the Franchised Business.

F. In light of the foregoing, the parties now wish to amend and/or supplement certain provisions of the Franchise Agreement to capture deal points that the parties mutually agree to regarding the intended conversion, as set forth more fully in this Addendum.

NOW THEREFORE, in consideration of the mutual agreements, covenants and promises contained in this Addendum and for mutual consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. **Background; Definitions.**

a. The parties agree and acknowledge that the Background portion of this Addendum, including all definitions, representations and provisions set forth therein, is hereby incorporated by reference as if fully set forth in this Section.

b. For purposes of this Addendum, if a capitalized term in this Addendum is not specifically defined herein, that term will be given the same definition that the term is afforded in the Franchise Agreement.

2. **Conversion Criteria.** Franchisee represents and warrants that all the representations Franchisee made to Franchisor regarding the Existing Location, operations, and financial history of the Existing Business, as well as the equipment located at the Existing Business, are accurate and reflect the current state of the Existing Business as of the date of this Addendum. The parties acknowledge that Franchisee's foregoing representations are, in part, the basis for Franchisor's determination that the Existing Business meets Franchisor's current Conversion Criteria and Franchisor's agreement to enter into this Addendum. Franchisee must ensure that the Existing Business continues to meet the Conversion Criteria throughout the term of the Franchise Agreement (and any renewal terms), unless Franchisor agrees otherwise in writing, and Franchisee's failure to do so will be deemed a material default under the Franchise Agreement and grounds for termination if not cured within 30 days as set forth more fully in Section 15(C) thereof. Schedule 1 to this Addendum details: (i) the initial Conversion Criteria that Franchisee must meet in order to be eligible for Franchisor's conversion offering; and (ii) the ongoing Conversion Criteria that Franchisee must continue to meet throughout the term of the Franchise Agreement.

3. **Time to Complete Conversion and Re-Open.** Notwithstanding anything in the Franchise Agreement to the contrary regarding the time in which Franchisee must open the Franchised Business, Franchisee must complete its pre-opening obligations set forth in this Agreement and the Franchise Agreement to successfully convert its Existing Business and "re-open" as the Franchised Business utilizing Franchisor's Proprietary Marks and System (the "Conversion Date") no later than 90 days from the execution of this Addendum. Upon execution of this Addendum, Franchisee may not re-open as the Franchised Business or otherwise without Franchisor's prior written consent. Franchisee's failure to re-open as the Franchised Business within the prescribed time period above will be grounds for termination of the Franchise Agreement if not cured by Franchisee within 15 days of receiving written notice of this default from Franchisor.

4. **Initial Franchise Fee.** Section 4(A)(1) of the Franchise Agreement is hereby deleted in its entirety and replaced with the following language:

> Franchisee agrees to pay Franchisor an initial franchisee fee amounting to $28,000 (the "Initial Franchise Fee"). The parties agree and acknowledge that the entire Initial Franchise Fee is deemed fully earned upon execution of the Franchise Agreement, and is non-refundable under any circumstances.

5. **Pre-Opening and Certain Other Obligations in Connection with the Conversion Restaurant.** Notwithstanding anything in the Franchise Agreement to the contrary:

a. *Site Selection.* Franchisee will operate the Franchised Business from the Existing Location, and will not otherwise be required to select and obtain a new location from

which to operate the Franchised Business that Franchisor approves as set forth more fully in the Franchise Agreement. The Existing Location will serve as the approved Premises of the Franchised Business, as that term is defined in the Franchise Agreement. The parties agree and acknowledge that Franchisor's approval of the Existing Location as the Premises for the Franchised Business does not constitute any type of representation or guarantee on the part of Franchisor that the Franchised Business will succeed or otherwise meet certain levels of performance at that Existing Location, and Franchisee hereby agrees that Franchisor shall not have any liability in connection with (a) Franchisor's approval of the Existing Location, or (b) Franchisor's determination that Franchisee's Existing Business meets the Conversion Criteria necessary to convert and operate the Existing Business as the Franchised Business moving forward.

b. *Signage and Remodeling/Refurbishing.* Within 60 days of executing the Franchise Agreement and prior to the Conversion Date, Franchisee must obtain and install the interior and exterior signage bearing Franchisor's Proprietary Marks in the form and manner prescribed by Franchisor in the Operations Manual or otherwise in writing. Prior to opening the Franchised Business, Franchisee further agrees to take any and all actions necessary to refurbish and/or remodel the interior of the Existing Location so that it complies with Franchisor's then-current standards and specifications for a conversion franchise, as set forth in the Franchisor's Manuals or otherwise in writing.

c. *Discontinuance of Prior Marks.* At least 10 business days prior to the Conversion Date, Franchisee must take any and all actions necessary to: (i) remove all signage previously used in connection with the Existing Business, as well as any other materials/items at the Existing Location that display any mark that was used to identify the Existing Business (the "Prior Marks"); and (ii) cease all use of any marketing or other materials that display the Prior Marks in any manner.

d. *Required Items.* The parties agree that Franchisee must purchase all Required Items at the same time and manner that other System franchisees are required to obtain and utilize such items, as set forth more fully in the Franchise Agreement and Manual(s).

e. *Advertising.* Franchisee will be required to expend the same amount on Grand Opening Advertising as set forth in Section 9(D) of the Franchise Agreement, and Franchisee must otherwise develop a Grand Opening Advertising Program as set forth therein, in connection with the "re-opening" of the Existing Business as the Franchised Business. Franchisee must comply with all other advertising requirements and obligations set forth in the Franchise Agreement, and Franchisee must take the necessary steps within its power to remove and/or modify all telephone directory listings and advertisements (including those placed in online directories) used in connection with the Existing Business and Prior Marks to reflect the conversion of the Existing Business to the Franchised Business operating under the Proprietary Marks no later than 30 days from the Conversion Date.

Except for those obligations specifically addressed above or otherwise in this Agreement, Franchisee must fully comply with all other obligations set forth in the Franchise Agreement, including, without limitation, those obligations related to computer hardware/software purchases, periodic remodeling and all other required purchases.

6. **Initial Training.** Notwithstanding anything contained in Section 8.1 of the Franchise Agreement to the contrary: (i) Franchisee and any Key Manager(s) must attend and successfully complete Franchisor's initial training program for conversion Restaurants at least 10 business days prior to the Conversion Date; (ii) the initial training program will consist of two days

of classroom and practical instruction; and (iii) the training program will take place at Franchisor's training facility located in New Jersey or another location that Franchisor designates. All other provisions in the Franchise Agreement regarding initial training, as well as any other training obligations and requirements, are hereby ratified and confirmed.

7. **Franchisee Representation.** Franchisee represents and warrants that: (i) Franchisee has the authority to enter into the Franchise Agreement and this Addendum; and (ii) entering into the Franchise Agreement and this Addendum with Franchisor does not, and will not, result in a breach of Franchisee's obligations under any other agreement Franchisee has entered into with respect to the Existing Business or otherwise. Franchisee understands that Franchisor materially relied on the foregoing representations, as well as all other acknowledgements and representations made by Franchisee in the Franchise Agreement and franchise application, in agreeing to enter into the Franchise Agreement and this Addendum. The parties agree and acknowledge that Franchisor may immediately terminate the Franchise Agreement (and this Addendum) upon notice to Franchisee in the event Franchisee has made any misrepresentation under, or otherwise breaches, this Section.

8. **Additional Grounds for Default**. Except for those breaches which this Addendum provides that a shorter cure period or no cure period is appropriate (including Sections 2 and 6 hereof), any other breach of this Addendum will constitute additional grounds for default under the Franchise Agreement as described in Section 15(C) thereof and Franchisor may terminate the Franchise Agreement if Franchisee fails to cure such default within 30 days of receiving notice of such default from Franchisor (unless a shorter cure period is stated in the Franchise Agreement for the type of default at issue).

9. **Construction of Language.** Any term defined in the Franchise Agreement which is not defined in this Addendum will be ascribed the meaning given to it in the Franchise Agreement. The language of this Addendum will be construed according to its fair meaning, and not strictly for or against either party. The parties have had a reasonable opportunity to review this Agreement. In the event of an ambiguity or if a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by all of the parties, and no presumptions or burdens of proof shall arise in favor of any party by virtue of the authorship of any of the provisions of this Agreement. Headings are for reference purposes and do not control interpretation.

10. **Entire Agreement.** The Franchise Agreement and this Addendum constitute the entire, full, and complete agreement between the parties concerning the franchise and supersedes any and all prior agreements. In the event a capitalized term in this Addendum is not specifically defined herein, that term will be given the same definition as the term is afforded in the Franchise Agreement. In the event of a conflict between the terms of the Franchise Agreement and this Addendum, the terms of this Addendum shall control. Except as amended by this Addendum, all the other terms and conditions of the Franchise Agreement are hereby ratified and confirmed, including the provisions related to governing law, venue and dispute resolution that will also apply to this Addendum.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have duly executed and delivered this Addendum on the date first written above.

FRANCHISEE

_____
(Individual, Partnership or Corporation Name)

By: _____

Title: _____

By: _____

Title: _____

PERSONAL GUARANTORS

_____

_____

FRANCHISOR

BUBBAKOO'S FRANCHISE SYSTEMS, LLC

By: _____
Chris Ives, CEO

SCHEDULE 1 TO THE CONVERSION ADDENDUM

CONVERSION CRITERIA

Initial Conversion Criteria to be Eligible for Conversion Offering

1. The Existing Location of the Existing Business must be at least 1,300 square feet in size and must be located in a location that meets Franchisor's standards and specifications for an approved "Premises" at the time the Franchise Agreement is executed.

2. The Existing Business must have a minimum of $350,000 in average annual revenue (top line), and must have been operating a restaurant business for a period of at least two (2) years prior to entering into the Addendum.

3. The Existing Business must have a layout and design that Franchisor approves prior to entering into the Addendum.

4. The Existing Business must already have (or immediately obtain) and maintain Franchisor's then-current levels of insurance coverages required as set forth in the Franchise Agreement and Manuals, which Franchisor may update from time to time.

5. The Existing Business must have or otherwise obtain computer hardware, including a point-of-sale system, that meets Franchisor's then-current standards and specifications as set forth in the Franchise Agreement, Manuals, or otherwise in writing.

6. The Existing Business must already possess all required business licenses and permits required to operate a quick, casual restaurant business at the Existing Location and service the surrounding area.

7. Neither Franchisee nor any of its owners/principals may be a party to any contract or other arrangement, whether in writing or otherwise, that would prohibit or otherwise affect their respective right to own, develop and operate the Franchised Business throughout the term of the Franchise Agreement.

Ongoing Conversion Criteria that Franchisee Must Maintain Throughout the Term of the Franchise Agreement

With the exception of Criteria No. 2, Franchisee must ensure that Franchisee continues to meet each of the above Criteria in the operation of the Franchised Business throughout the term of the Franchise Agreement unless the Franchise Agreement or Addendum provides that a different standard will apply at some time in the future.

EXHIBIT E
TO THE BUBBAKOO'S FRANCHISE SYSTEMS, LLC
FRANCHISE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

©2026 Bubbakoo's Franchise Systems, LLC

Consolidated Financial Statements

Rocket Group Holdings, LLC and Subsidiaries
For the Period from June 17, 2025 (Commencement of Operations)
through January 4, 2026
With Report of Independent Auditors

The better the question.
The better the answer.
The better the world works.

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Rocket Group Holdings, LLC and Subsidiaries

Consolidated Financial Statements

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St. Louis, MO 63105

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ey.com

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Report of Independent Auditors

Board of Directors
Rocket Group Holdings, LLC

Opinion

We have audited the consolidated financial statements of Rocket Group Holdings, LLC and Subsidiaries, which comprise the consolidated balance sheet as of January 4, 2026, and the related consolidated statements of operations, changes in members' equity and cash flows for the period from June 17, 2025 (commencement of operations) through January 4, 2026, and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company at January 4, 2026, and the results of its operations and its cash flows for the period from June 17, 2025 (commencement of operations) through January 4, 2026 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Ernst & Young LLP

April 17, 2026

A member firm of Ernst & Young Global Limited

Rocket Group Holdings, LLC and Subsidiaries

Consolidated Balance Sheet

(Amounts in Thousands, Except Share and Par Value Data)

January 4, 2026

Assets		
Current assets:		
Cash	$	3,073
Accounts receivable		589
Prepaid expenses and other current assets		151
Total current assets		3,813
Property and equipment, net		951
Goodwill, net		14,473
Right-of-use assets under operating leases, net		4,444
Intangible assets, net		44,838
Other assets, net		152
Total assets	$	68,671
Liabilities and members' equity		
Current liabilities:		
Accounts payable	$	722
Accrued expenses and other current liabilities		928
Gift card liability		221
Current portion of deferred revenue		197
Current portion of operating lease liabilities		387
Current maturities of long-term debt		216
Total current liabilities		2,671
Deferred revenue, net of current portion		1,494
Operating lease liabilities, net of current portion		4,095
Long-term debt, net of current portion		20,770
Other liabilities		331
Total liabilities		29,361
Members' equity		
Members' equity		44,400
Retained deficit		(5,090)
Total members' equity		39,310
Total liabilities and members' equity	$	68,671

The accompanying notes are an integral part of these consolidated financial statements.

Rocket Group Holdings, LLC and Subsidiaries

Consolidated Statement of Operations
(Amounts in Thousands)

For the Period from June 17, 2025 (Commencement of Operations) to January 4, 2026

Revenue:		
Restaurant sales – company-owned	$	4,692
Franchise royalty revenue and fees		4,423
Advertising funds revenue		1,229
Total revenue		10,344
Costs and expenses:		
Restaurant costs and expenses		4,073
Selling, general and administrative		5,611
Advertising		1,183
Depreciation and amortization		3,470
Total costs and expenses		14,337
Interest expense		1,097
Net loss	$	(5,090)

The accompanying notes are an integral part of these consolidated financial statements.

Rocket Group Holdings, LLC and Subsidiaries

Consolidated Statement of Changes in Members' Equity

(Amounts in Thousands, Except Share Data)

	Members Units		Retained Earnings	Total Members'
	Shares	**Amount**	**(Deficit)**	**Equity**
Balances at June 17, 2025 (Commencement of Operations)	–	$ –	$ –	$ –
Capital contributions	44,400,000	44,400	–	44,400
Net income			(5,090)	(5,090)
Balances at January 4, 2026	44,400,000	$ 44,400	$ (5,090)	$ (39,310)

The accompanying notes are an integral part of these consolidated financial statements.

Rocket Group Holdings, LLC and Subsidiaries

Consolidated Statement of Cash Flows
(Amounts in Thousands)

For the Period of June 17, 2025 (Commencement of Operations) to January 4, 2026

Operating activities		
Net income	$	(5,090)
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization		3,470
Deferred revenue		188
Amortization of deferred financing fees		51
Changes in operating assets and liabilities:		
Accounts receivable		(203)
Prepaid expenses and other		35
Accounts payable		297
Accrued and other liabilities		399
Gift Card Liability		30
Net cash used in operating activities		(823)
Investing activities		
Acquisitions, net of cash acquired		(61,408)
Capital expenditures		(31)
Net cash used in investing activities		(61,439)
Financing activities		
Proceeds from term loans, net of deferred financing fees		21,600
Proceeds from capital contributions		44,400
Repayment of term loans		(108)
Payment of debt financing fees		(557)
Net cash provided by financing activities		65,335
Net increase in cash		3,073
Cash at beginning of period		–
Cash at end of period	$	3,073
Supplemental information		
Cash paid for interest	$	1,048

The accompanying notes are an integral part of these consolidated financial statements.

Rocket Group Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

January 4, 2026

1. Description of Business

Rocket Group Holdings, LLC. ("Holdings") together with its consolidated subsidiaries, (collectively, "Bubbakoo's", or the "Company"), is in the business of franchising and operating Bubbakoo's Burritos restaurants. The Company is headquartered in Wall, NJ. As of January 4, 2026, the Company had a total of 145 restaurants including 10 corporate owned restaurants, 127 franchised restaurants, and 8 franchised non-traditional locations.

On June 10, 2025, Rocket Group Holdings, LLC, a corporation, was formed by Thompson Street Capital Partners VI, L.P. ("TSCP"). Holdings was capitalized by TSCP and certain lenders to the transaction with contributed capital and proceeds from borrowings, in order to acquire all of the outstanding capital stock of PBKK Enterprises Inc., and its wholly-owned subsidiaries Bubbakoo's Franchise Systems, LLC, Bubbakoo's Manahawkin, LLC, Bubbakoo's Shrewsbury, LLC, Bubbakoo's Orlando, LLC, Bubbaokoo's Neptune, LLC, and Hart & Altero Limited Liability Company on June 17, 2026 (the "Acquisition").

2. Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries for the period from June 17, 2025 (commencement of operations) to January 4, 2026. All intercompany accounts and transactions have been eliminated in consolidation.

Fiscal Year End

The Company uses a 52/53-week fiscal year that ends on the last Sunday at or after the end of calendar year. The period from June 17, 2025 through January 4, 2026, as represented in the consolidated statements of operations, changes in members' equity and cash flows, was approximately 29 weeks.

2. Basis of Presentation and Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of the consolidated financial statements in accordance with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Significant items subject to such estimates include the fair value of assets and liabilities acquired; useful lives and amortization rates of property, equipment and intangible assets; the incremental borrowing rate for lease liabilities; and accruals for certain liabilities.

Business Combinations

The Company applies the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 805, *Business Combinations*, in the accounting for its acquisitions whereby the Company records assets acquired and liabilities assumed at their respective fair value at the date of acquisition. Goodwill is recognized as the excess of the consideration transferred over the fair value of the assets acquired and liabilities assumed. Management uses its best estimates and assumptions to accurately value assets acquired and liabilities assumed at the acquisition date. Such estimates are inherently uncertain and may be subject to refinement. As a result, during the measurement period of up to one year from the acquisition date, the Company records adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill, to the extent such information was not available to the Company at the acquisition date to determine such amounts.

Accounting for business combinations requires the Company to make estimates and assumptions at the acquisition date, including estimates of the fair value of property plant and equipment, acquired intangible assets and contractual obligations assumed, where applicable. Critical assumptions relevant to the determination of the fair value of the assets acquired and liabilities assumed include, but are not limited to, replacement cost of property acquired less normal depreciation, future expected cash flows of the operation of the acquired business, discount rates, royalty rates, customer attrition and other assumptions.

2. Basis of Presentation and Summary of Significant Accounting Policies (continued)

In addition, the Company applies FASB Accounting Standard Update ("ASU") 2021-08, *Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*, which provides an exception to fair value measurement for contract assets and contract liabilities related to revenue contracts acquired in a business combination. The ASU requires an entity (acquirer) to recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with FASB ASC Topic 606, *Revenue from Contracts with Customers* ("ASC 606").

Cash

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. The Company has no cash equivalents at January 4, 2026. The Company deposits cash with financial institutions that management believes are of high credit quality. The Company maintains cash deposits with high credit quality financial institutions. The deposits with these financial institutions may exceed the federally insured limits; however, these deposits typically are redeemable upon demand. The Company has not experienced any loss because of these deposits and does not expect to incur any losses in the future.

Accounts Receivable

The Company records accounts receivable at net realizable value, which includes an allowance for estimated uncollectible accounts. Credit is extended to customers based on an evaluation of their financial condition, credit rating, and trade references, in the normal course of business. The Company calculates its allowance for estimated uncollectible accounts based on historical experience of write-offs, level of past due accounts, and its relationships with, and the economic status of, its clients. Accounts are written off when they are deemed uncollectible. The Company has adopted ASU 2016-13, *Financial Instruments – Credit Losses* (ASU 326), to include forward-looking information to reflect losses anticipated on the accounts receivable balances. The Company had no allowance for doubtful accounts at January 4, 2026.

2. Basis of Presentation and Summary of Significant Accounting Policies (continued)

Property and Equipment, Net

Property and equipment acquired in the transactions described in Note 3 are recorded at their fair value at the date of acquisition, less accumulated depreciation, through the consolidated balance sheet date. Property and equipment obtained through the normal course of operations are recorded at cost less accumulated depreciation. Additions, replacements, and leasehold improvements are capitalized, while maintenance and repairs that do not extend the useful life of an asset are expensed as incurred. Leasehold improvements are amortized using the straight-line method over the shorter of the remaining lease term or the estimated useful life of the improvement. When assets are retired or otherwise disposed, the cost and accumulated depreciation are removed from the respective accounts and any related gain or loss is recognized. Depreciation and amortization are computed using the following estimated useful lives:

Asset	Years
Computer equipment and software	3
Furniture and equipment	5
Leasehold improvements	Lesser of lease term or 9 years

Impairment or Disposal of Long-Lived Assets

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. If any such indicators exist, the Company assesses recoverability by comparing the estimated undiscounted future pre-tax cash flows from the use of the group of assets, as defined, to the carrying amount of such assets. Measurement of an impairment loss is based on the excess of the carrying amount of the group of assets over the long-lived asset’s fair value. The Company did not identify any indicators of impairment nor recognize any impairment charges associated with long-lived assets during the period from June 17, 2025 through January 4, 2026.

2. Basis of Presentation and Summary of Significant Accounting Policies (continued)

Leases

ASC Topic 842, *Leases*, (Topic 842) requires the Company to recognize right-of-use (ROU) assets and corresponding lease liabilities representing the present value of future lease payments required under the lessee arrangements. Topic 842 allows the Company to use the risk-free rate as the discount rate for classifying and measuring leases. The practical expedient transition package, which permits the Company to not reassess: (i) whether any expired or existing contracts are or contain leases; (ii) the lease classification for any expired or existing leases; and (iii) any initial direct costs for any existing leases as of the effective date.

The Company also elected the short-term practical expedient for all classes of lease assets, and the practical expedient to not separate lease components from non-lease components for all asset classes. The short-term practical expedient allows the Company to not record leases with an initial term of 12 months or less on the balance sheet, and instead recognize the expense straight-line over the lease term.

The Company determines if an arrangement is a lease at contract inception and evaluates whether the lease should be classified as an operating or finance lease. This classification determines whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease.

For all lease classes, the Company separates lease and non-lease components. Certain of the Company's leases contain renewal, extension, or termination options. Each option is assessed on an individual basis and is only included in the lease term when the option is reasonably certain of being exercised.

The Company recognizes a ROU asset and lease liability for its operating leases at the commencement date equal to the present value of the contractual minimum lease payments over the lease term. The present value is calculated using the rate implicit in the lease, if known, or the Company's incremental borrowing rate. As the Company adopted the election to apply the risk-free rate, the incremental borrowing rate used for operating leases is the risk-free rate.

The Company evaluates ROU assets for impairment consistent with the impairment or disposal of long-lived assets policy.

2. Basis of Presentation and Summary of Significant Accounting Policies (continued)

The Company had no finance leases as of January 4, 2026.

Refer to Note 9 for additional information.

Goodwill, net and Intangible Assets, net

Goodwill represents the excess of cost over the fair value of net assets of the business acquired. In accordance with Accounting Standards Update (ASU) 2014-02, *Intangibles – Goodwill and Other (Topic 350): Accounting for Goodwill* (a consensus of the Private Company Council), the Company elected to amortize goodwill and then test for impairment when a triggering event occurs that indicates the fair value of an entity may be below its carrying amount. When a triggering event occurs, the Company has the option to assess qualitative factors to determine whether quantitative impairment testing is necessary or proceed directly to a quantitative assessment. If the qualitative assessment is elected and it indicates that it is more likely than not that goodwill is impaired, the Company must perform the quantitative impairment test. If the qualitative assessment indicates that it is not more likely than not that goodwill is impaired, further testing is unnecessary. In the event a quantitative test is necessary, and the Company's fair value is less than its carrying amount, the Company would measure and recognize an impairment loss equal to the amount by which the carrying amount exceeds fair value, not to exceed the carrying amount of goodwill. The Company is amortizing goodwill over ten years and tests goodwill for impairment at the entity level.

The Company has also adopted *ASU 2014-18, Business Combinations (Topic 805): Accounting for Identifiable Intangible Assets in a Business Combination*, which allows nonpublic entities to simplify their accounting by recognizing fewer intangible assets in a business combination and other transactions. Eligible entities that elect the new alternative no longer recognize customer-related intangible assets, unless they are capable of being sold or licensed independently from the other assets of the business, or noncompetition agreements separately from goodwill. Companies that elect this accounting alternative must also elect the goodwill accounting alternative for private companies in *ASU 2014-02*. The Company has adopted *ASU 2014-18* effective June 17, 2025.

Intangible assets include the Company's tradename and franchise agreements. Amortization of finite-lived intangible assets is computed using the straight-line method over the estimated useful lives of the related assets, as this method is consistent with the utilization of the economic benefit derived from the assets.

2. Basis of Presentation and Summary of Significant Accounting Policies (continued)

Intangible assets are initially measured based on their fair values. Intangible assets are being amortized on a straight-line basis over their estimated period of benefit as follows:

Tradename	10 years
Franchise agreements	10 years
Goodwill	10 years

The Company applies *ASU 2015-16, Simplifying the Accounting for Measurement-Period Adjustments*, which eliminates the requirement for an acquirer to retrospectively adjust the consolidated financial statements for measurement-period adjustments that occur in the period after a business combination is consummated.

The Company evaluates intangible assets for impairment consistent with the impairment or disposal of long-lived assets policy. There were no triggering events identified during the period from June 17, 2025 through January 4, 2026, and, as such, a quantitative impairment test was not performed and no impairment losses were recorded for either goodwill or intangible assets.

Deferred Financing Fees

Fees paid in conjunction with securing the Company's revolving line of credit and term loan are capitalized as a reduction to long-term debt and are amortized over the term of the term loan using the straight-line method, which approximates the effective interest method. At January 4, 2026, the Company had recorded $0.5 million of debt financing fees as a contra-liability reducing long-term debt on the consolidated balance sheet. Amortization for the period from June 17, 2025 through January 4, 2026, was $0.05 million. These costs are included in interest expense, net on the consolidated statement of operations.

2. Basis of Presentation and Summary of Significant Accounting Policies (continued)

Revenue Recognition

Revenue from Franchised Restaurants

Revenue from franchised restaurants consists primarily of royalties, advertising fees, sourcing fees, initial and renewal franchise license fees, and fees from area development agreements. The Company's performance obligations under its franchise license agreements consist of (a) pre-opening services, such as training, (b) a franchise license, and c) ongoing services, such as advertising, development of training materials and menu items, and restaurant monitoring. The Company's initial performance obligation relating to the pre-opening services is to assist the franchisee with finding their initial location, as well as the pre-opening services such as training. The Company recognizes a portion of the franchise fee upon completion of the opening of the first store. The additional performance obligations relating to the franchise license and ongoing services are highly interrelated, so they are not considered to be individually distinct and therefore are accounted for as a single performance obligation, which is satisfied by providing a right to use the Company's intellectual property over the term of each franchise license agreement and the Company's continued responsibilities for advertising, development of training materials and menu items, restaurant monitoring and other services necessary to support the Bubbakoo's name and brand. The remaining portion of the franchise fee is recognized over the life of the franchise agreement. Any additional fees charged for subsequent openings related to a multi-unit agreement under a development agreement begins amortizing as of the lease signing date of the subsequent locations and recognized over the life of the franchise agreement. Franchisees may also enter into separate area development agreements, which are identified as a separate performance obligation. The Company's performance obligation under area development agreements generally consists of an obligation to grant exclusive development rights over a stated term.

Initial franchise license fees are billed at the restaurant opening date and due prior to the restaurant opening or at the time of a renewal of an existing franchise license agreement. Fees received for initial franchise licenses are included in deferred revenue in the consolidated balance sheet and amortized over the life of the initial franchise license agreements, which is typically 10 years. Franchise license renewal fees, which generally occur every 10 years, are billed before the renewal date. Fees received for future license renewal periods are included in deferred revenue in the consolidated balance sheet and amortized over the life of the renewal period. Area development exclusivity fees are billed upon execution of the development agreements which grant the right to

2. Basis of Presentation and Summary of Significant Accounting Policies (continued)

develop franchised restaurants in future periods in specific geographic areas. Area development exclusivity fees are included in deferred revenue in the consolidated balance sheets and allocated on a pro rata basis to all restaurants opened under that specific development agreement. Franchise license and area development fee payments received by the Company before the restaurant opens (for the first location) or before the lease is signed (subsequent locations) are recorded as deferred revenue in the consolidated balance sheet.

Royalty fees are calculated as a percentage of franchised restaurant sales over the term of the franchise license agreement. These fees represent sales-based royalties that are related entirely to the Company's performance obligation under the franchise agreement and are recognized as franchised restaurant sales occur. Separately, the Company charges an advertising fee, calculated as a percentage of sales, to all franchised restaurants. This advertising fee is to support marketing efforts by Bubbakoo's that increase brand recognition for all Bubbakoo's restaurants and is related entirely to the Company's performance obligation under the franchise agreement and the revenues are recognized as franchised restaurant sales occur. These sales-based franchise royalties and advertising fees are billed on a weekly basis and collected on a one week lag.

The Company has entered into food and beverage supply agreements with certain major vendors. Pursuant to the terms of these arrangements, rebates are provided to the Company from the vendors based upon the volume of purchases for both company-owned and franchised restaurants. These rebates are recognized as earned throughout the year, and are classified as a reduction in restaurant costs and expenses for purchases by company-owned restaurants and classified within franchise royalty revenue and fees within the consolidated statement of operations for purchases by franchised restaurants. The incentives recognized in franchise royalty revenue and fees were approximately $0.4 million for the period from June 17, 2025 (commencement of operations) to January 4, 2026.

Revenue from Company-Owned Restaurants

The Company records food and beverage revenues from company-owned restaurants upon sale to the customer. The Company collects and remits sales taxes on transactions with customers and reports such amounts as liabilities on the consolidated balance sheet. Accordingly, these taxes are not included in gross revenue.

2. Basis of Presentation and Summary of Significant Accounting Policies (continued)

Deferred Contract Costs

Deferred contract costs represent sales commissions that are incremental and recoverable costs of obtaining a contract with a customer for a new franchise agreement. Deferred contract costs are amortized on a straight-line basis over the expected period of benefit, which is the life of the franchise license agreement, typically 10 years. Deferred contract costs are recorded in other assets on the consolidated balance sheet. Amortization of deferred contract costs is recognized in selling, general and administrative expense on the consolidated statement of operations.

Delivery

The Company offers its customers delivery in almost all of its geographic regions. Delivery services are fulfilled by third-party service providers. In some cases, we make delivery sales through our website Bubbakoos.com or the Bubbakoo's App. In other cases, we make delivery sales through a non-Bubbakoo's owned channel, such as the delivery partner's website or mobile app. With respect to sales made through the Bubbakoo's website, we control the delivery services and generally recognize revenue, including delivery fees, when the delivery partner transfers food to the customer. For these sales, we receive payment directly from the customer at the time of sale. With respect to non-Bubbakoo's owned channels, we generally recognize revenue, excluding delivery fees collected by the delivery partner, when control of the food is transferred to the delivery partner. We receive payment from the delivery partner subsequent to the transfer of food and the payment terms are short-term in nature.

Restaurant Costs and Expenses

Restaurant costs and expenses include all operating expenses of company-owned restaurants, including advertising expenses, and excludes depreciation and amortization, which are presented separately.

Advertising

The Company administers a Brand Fund ("BF"), in which a percentage of net sales is collected from restaurant franchisees and company-owned restaurants to be used for various forms of advertising for the Bubbakoo's brand. Contribution rates to the BF range from 0.0% to 2.0% of net sales.

2. Basis of Presentation and Summary of Significant Accounting Policies (continued)

The Company administers and directs the development of all advertising and promotional programs in the BF for which it collects advertising contributions in accordance with the provisions of its franchise agreements. Use of BF contributions relate to advertising, public relations, merchandising, similar activities and administrative expenses to increase sales and further enhance the public awareness of the Bubbakoo's brand. The aforementioned administrative expenses may also include personnel expenses and allocated costs incurred by the Company that are directly associated with administering the BF.

The Company charges the cost of advertising to expense as incurred within the consolidated statement of operations. Advertising expense for the period from June 17, 2025 through January 4, 2026 was approximately $1.1 million and is recorded in Advertising on the consolidated statement of operations. The majority of these expenses are recaptured through the aforementioned advertising contributions charged to franchisees.

Advertising expenses incurred by company-owned restaurants are included within advertising expenses in the consolidated statement of operations. Company-owned restaurants incurred advertising expenses of approximately $0.08 million for the period from June 17, 2025 through January 4, 2026.

Income Taxes

The Company is treated as a partnership for US federal income tax purposes. Each partner is responsible for reporting their share of the Company's income or loss, as applicable with income tax laws and regulations, including any share of current and deferred tax expense related to that inclusion for income tax reporting.

ASC 740, Income Taxes, provides guidance on how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements and requires evaluation of tax positions taken or expected to be taken on the Company's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. For the period from June 17, 2025 through January 4, 2026, the Company was not required to establish a liability for uncertain tax positions. All tax years of the Company remain subject to examination.

The Company's policy for interest and penalties, if any, with respect to uncertain tax positions is to classify these as interest expense and operating expenses, respectively, in the statement of net income. For the period from June 17, 2025 through January 4, 2026, the Company recorded no interest and penalties.

2. Basis of Presentation and Summary of Significant Accounting Policies (continued)

Recent Accounting Pronouncements

In July of 2025, the FASB issued *ASU No. 2025-05, Financial Instruments – Credit Losses (Topic 326)*, which provides all entities with the ability to elect to apply a practical expedient in developing reasonable and supportable forecasts as part of estimating expected credit losses, that assumes that current conditions as of the balance sheet date do not change for the remaining life of the asset. The standard also provides an accounting policy election to consider collection activity after the balance sheet date when estimating expected credit losses. The practical expedient and policy election are for current accounts receivable and current contract assets arising from transactions accounted for under Topic 606. The Company is currently in the process of evaluating the impact that the adoption of this guidance will have on its consolidated financial position, results of operations, and cash flows.

3. Deferred Revenues

Initial franchise license fees and area development exclusivity fee payments (collectively, "franchise fees") received by the Company are recorded as deferred revenue on the consolidated balance sheets, which represents a contract liability. Deferred revenue is reduced as fees are recognized in revenue over the term of the franchise license agreement for the respective restaurant. As the term of the franchise license is typically ten years, substantially all of the license fee revenue recognized in the current fiscal year was included in the deferred revenue balance as of January 4, 2026. As of January 4, 2026, approximately $0.5 million in deferred revenue relates to restaurants that have not yet opened so the fees are not yet being amortized. The weighted average remaining amortization period for deferred franchise and renewal fees related to open restaurants is 5.4 years. The Company did not have any material contract assets as of January 4, 2026.

3. Deferred Revenues (continued)

The following table represents the changes in deferred revenue balances for fiscal year ended:

	January 4, 2026
	(Amounts in Thousands)
Balance, beginning of period	$ 1,503
New franchise fees, net	315
Amortization of deferred revenue	(127)
Balance, end of period	$ 1,691

4. Accounts Receivable

Accounts receivable consisted of the following:

	January 4, 2026
	(Amounts in Thousands)
Royalties receivable	$ 223
Other receivables	366
Accounts receivable	$ 589

5. Property and Equipment, Net

Property and equipment consisted of the following:

	January 4, 2026
	(Amounts in Thousands)
Furniture and Equipment	$ 285
Leasehold improvements	729
Computer equipment and software	7
	1,021
Less: accumulated depreciation and amortization	(70)
Property and equipment, net	$ 951

For the period from June 17, 2025 through January 4, 2026, depreciation expense, including the amortization of leasehold improvements, amounted to approximately $0.07 million, and is included under depreciation and amortization in the accompanying consolidated statements of net income and comprehensive income.

6. Business Acquisition

On June 17, 2025 the Company entered into a share purchase agreement with PBKK Enterprises, Inc. under which the Company acquired all of the issued and outstanding shares of PBKK Enterprises, Inc. and its subsidiaries (PBKK). Total consideration of $62.00 million consists of cash paid at closing. Transactions expenses of $2.34 million incurred and expensed in the period from June 17, 2025 through January 4, 2026, was paid from the proceeds of capital contributions and borrowings, as described in Note 10 and Note 8.

6. Business Acquisition (continued)

The acquisition of PBKK was accounted for as a business combination, which requires an allocation of the total consideration to the purchased assets and assumed liabilities measured at fair value at the acquisition date. The total consideration was preliminarily allocated as follows (in thousands):

Cash	$	595
Accounts receivable		352
Prepaid expenses and other current assets		75
Fixed assets – net		990
Other assets		136
ROU assets		4,707
Intangibles		47,408
Goodwill		15,303
Accounts payable		(426)
Accrued liabilities		(461)
Deferred revenue		(1,503)
ROU Short & Long-term liabilities		(4,707)
Other liabilities		(466)
Total purchase price	$	62,003

Goodwill resulting from the acquisition was largely attributable to the value to be generated from customers acquired. The Company estimated the fair value of the tangible assets, intangible assets, long-lived assets, and goodwill as of the acquisition date. Such fair values were determined in accordance with ASC 820 using unobservable inputs, the income approach, or the cost approach, which represent Level 3 inputs under ASC 820. The allocation of the purchase price was preliminary as of January 4, 2026, as management has not completed its evaluation of intangibles and working capital accounts acquired.

7. Goodwill and Intangible Assets, Net

The following is a summary of goodwill balances and activity:

	January 4, 2026
	(Amounts in Thousands)
Balance, beginning of period	$ 15,303
Amortization expense	(830)
Balance, end of period	$ 14,473

Intangible assets, excluding goodwill, consisted of the following:

	Lives (in Years)	Gross	Amortization	Net
			(In Thousands)	
January 4, 2026				
Tradename	10	$ 29,913	$ (1,622)	$ 28,291
Franchise agreements	10	$ 17,495	$ (948)	$ 16,547

Total amortization expense amounted to approximately $2.6 million for the fiscal year ended January 4, 2026.

Estimated amortization expense, principally related to tradename and franchise agreements for the five succeeding fiscal years and the aggregate amount thereafter:

	(Amounts in Thousands)
Fiscal year 2026	$ 4,725
Fiscal year 2027	4,725
Fiscal year 2028	4,725
Fiscal year 2029	4,725
Fiscal year 2030	4,725
Thereafter	21,213
Total	$ 44,838

7. Goodwill and Intangible Assets, Net (continued)

The remaining weighted average amortization period for goodwill, tradename and franchise agreements is 9.5 years as of January 4, 2026.

8. Debt

The Company's long-term debt, net of current portion is as follows as of January 4, 2026:

	January 4, 2026
	(Amounts in Thousands)
Term Loan	$ 21,492
Less: unamortized debt issuance costs:	(506)
	20,986
Less: current maturities	(216)
Long-term debt, net of current portion	$ 20,770

Future maturities of gross long-term debt are as follows:

	(Amounts in Thousands)
Fiscal year 2026	$ 216
Fiscal year 2027	216
Fiscal year 2028	216
Fiscal year 2029	216
Fiscal year 2030	216
Total	$ 1,080

Credit Agreement

The Company entered into a credit agreement, dated as of June 17, 2025, (the "Credit Agreement"), which provides for (i) a $21.6 million term loan facility (the "Term Loan") and (ii) a $5.0 million revolving credit facility (the "Revolver"). The Revolver had no outstanding borrowings as of January 4, 2026.

8. Debt (continued)

The Term Loan is subject to amortization of principal, payable in quarterly installments on the last business day of each fiscal quarter, commencing on June 17, 2025, equal to (i) 0.25% of the original principal amount funded (excluding interest for the period from June 17, 2025 through June 30, 2025, which was included in the September 30, 2025 payment). The remaining aggregate principal amount outstanding (together with accrued and unpaid interest on the principal amount) is payable at the maturity of the Term Loan, which is June 17, 2031.

In accordance with the provisions of the Credit Agreement, the Company is required to make annual mandatory principal prepayments, depending upon the total net leverage ratio of the Company, on the Term Loan to the extent the Company realizes consolidated excess cash flows, as defined by the 2025 Credit Agreement, in a given fiscal year. The Company does not have a mandatory principal prepayment due as of January 4, 2026.

Borrowings under the Credit Agreement bear interest, at the option of the Company, at the Standard Overnight Financing Rate (SOFR) index rate plus a margin of either 450 or 475 basis points depending on the total net leverage ratio of the Company. In addition, an unused commitment fee of 0.50% will be paid on the undrawn commitments of the Revolver.

Debt Covenants

The Credit Agreement are secured by associated collateral agreements that pledge a lien on substantially all the Company's assets, including fixed assets and intangibles, in each case, subject to customary exceptions. Under the Credit Agreement, the company is subject to customary affirmative, negative and financial covenants, maintenance of certain ratios, restrictions on additional indebtedness and events of default for facilities of this type (with customary grace periods, as applicable, and lender remedies). The Company was in compliance with the covenants under the Credit Agreement as of January 4, 2026.

9. Leases

The Company determines whether an arrangement is a lease at inception and currently has operating leases for office and restaurant space. The Company does not currently have any financing leases. The Company's leases have remaining terms of 2 years to 20 years, all of which include options to extend the lease term based on renewals. Lease terms include options to renew when it is reasonably certain that the Company will exercise that option. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

9. Leases (continued)

For leases that contain rent escalation clauses, rent is recognized on a straight-line basis. For leases with an initial term of 12 months or less, an election was made to not recognize a ROU asset or lease liability on the balance sheet, and to recognize lease expense on a straight-line basis. The amount of operating lease rent expense incurred for the period from June 17, 2025 through January 4, 2026, expense was $410,080, which is included in selling, general, and administrative expense on the statements of operations. At January 4, 2026, the balance of the ROU asset and the corresponding lease liability was approximately $549,406 and $568,925, respectively. The ROU asset and lease liability are shown as separate line items on the balance sheet.

The Company also adopted the package of practical expedients available under Topic 842 as well as the practical expedient to use the risk-free rate as the incremental borrowing rate. As most of the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available on the commencement date in determining the present value of future lease payments. The Company also elected the practical expedient to not account for lease and non-lease components separately. Thus any non-lease components of the lease are accounted for under ASC 842 and any variable costs (e.g., common area maintenance) that is not known at inception of the contract are considered constrained and cost is not recognized until the amounts are known.

9. Leases (continued)

The Company's recognized lease costs include:

	January 4, 2026
	(Amounts in Thousands Except for Year and Rate Information)
Liabilities	
Current	$ (387)
Non-current	(4,095)
Total operating lease liabilities	$ (4,482)
Statements of Net Income and Comprehensive Income	
Operating lease cost	$ 380
Other Information	
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	$ 343
Right-of-use assets obtained in exchange for new operating lease liabilities	$ –
Weighted average remaining lease term (years)	8.16
Weighted average discount rate	4.39%

9. Leases (continued)

Maturities of lease payments under non-cancellable leases were as follows:

	(Amounts in Thousands)
2025	$ 576
2026	530
2027	481
2028	499
2029	506
Thereafter	3,187
Total future minimum lease payments	5,778
Less: imputed interest	1,296
Present value of lease liabilities	$ 4,482

The Company does not have any variable lease costs and short-term lease costs were inconsequential.

10. Equity and Management Incentive Plan

The Company was capitalized on June 17, 2025 with issuance of 44,400,000 shares of Class A Common Stock, with a par value of $1 per share which were issued in exchange for $44,400,000. The holders of common stock are entitled to one vote per share. As of January 4, 2026, 44,400,000 shares remain outstanding.

The Company created a management incentive plan which grants certain members of the management team of the Company Class B Units which are non-voting and provide for profits interests in the Company. The profit interests do not provide for any interest in the capital of the Company and will only be paid upon exceeding the participation threshold as stipulated in each respective award agreement. The Company concluded that it is not probable that the participation threshold will be met until the occurrence of a liquidity event. The occurrence of a liquidity event is considered a performance condition; therefore, no compensation cost will be recognized until a liquidity event occurs. As such, no compensation cost has been recognized related to the Incentive Unit Plan.

11. Commitments and Contingencies

Purchase Obligations

Purchase obligations include agreements related to the construction of restaurant facilities, the purchase of food, beverages, paper goods and other supplies, equipment purchases, marketing-related contracts and software license commitments and service contracts in the normal course of business. These obligations are generally of short-term nature at prevailing market prices and are recorded as liabilities when the related goods are received, or services rendered. These commitments are cancellable and there are no material financial penalties associated with these commitments in the event of early termination.

Legal Proceedings

The Company is involved from time to time in various claims, proceedings, and litigation. The Company establishes reserves for specific legal proceedings when it determines that the likelihood of an unfavorable outcome is probable, and the amount of loss can be reasonably estimated. Management has not identified any legal matters where it believes an unfavorable outcome is reasonably possible and/or for which an estimate of possible losses can be made. Management does not believe that the resolution of these matters would have a material adverse impact on the Company's financial position, results of operations, or cash flows.

12. Related-Party Transactions

The Company has a management services agreement with TSCP that requires the Company to reimburse TSCP and its respective affiliates for all reasonable costs and expenses (including reasonable attorney fees and travel expenses) incurred by TSCP in connection with the performance obligations under the management services agreement. Total reimbursement by the Company to TSCP was $2,715 for the period from June 17, 2025 through January 4, 2026. Certain noncontrolling equity owners of the Company are the holders of the term loans described in Note 8.

13. Balance Sheet Components

Prepaid expense and other current assets

Prepaid expense and other current assets consisted of the following:

	January 4, 2026
	(Amounts in Thousands)
Prepaid subscriptions and insurance	$ 132
Other current assets	19
Total	$ 151

Accrued expenses and other current liabilities

Accrued expenses and other current liabilities consisted of the following:

	January 4, 2026
	(Amounts in Thousands)
Accrued payroll, taxes & benefits	$ 151
Other taxes payable	40
Other accrued expenses	584
Marketing Fund Liability	153
Total	$ 928

14. Major Customers, Account Receivable and Vendor Concentration

The Company had no customers which accounted for 10% or more of consolidated revenues for fiscal year ended January 4, 2026. As of January 4, 2026, the Company had one main inline distributor of food, packaging and beverage products, that serviced all company-owned restaurants. We believe that our vulnerability to risk concentrations related to significant vendors and sources of our raw materials is mitigated as we believe that there are other vendors who would be able to service our requirements. However, if a disruption of service from our main in-line distributor was to occur, we could experience short-term increases in our costs while distribution channels were adjusted.

15. Subsequent Events

The Company has evaluated subsequent events through April 17 2026, the date at which the consolidated financial statements were available to be issued.

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EXHIBIT F
TO THE BUBBAKOO'S FRANCHISE SYSTEMS, LLC
FRANCHISE DISCLOSURE DOCUMENT

GUARANTEE OF PERFORMANCE

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GUARANTEE OF PERFORMANCE

For value received, **Rocket Group Holdings, LLC**, a Delaware limited liability company (the "**Guarantor**"), located at 7676 Forsyth Blvd., Suite 2700, St. Louis, Missouri 63105, absolutely and unconditionally guarantees to assume the duties and obligations of **Bubbakoo's Franchise Systems, LLC**, a Delaware limited liability company located at 1670 Route 34 North, Suite 1C, Wall, New Jersey 07727 (the "**Franchisor**"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its **2026** Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at 1670 Rt 34 N, Wall NJ 07719 on this 17 th day of April 2026.

GUARANTOR:

ROCKET GROUP HOLDINGS, LLC.

By: _____

Name: Chris Ivey

Title: CEO

EXHIBIT G
TO THE BUBBAKOO'S FRANCHISE SYSTEMS, LLC
FRANCHISE DISCLOSURE DOCUMENT

STATE SPECIFIC ADDENDA
TO THE FDD, FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT

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

1. Illinois law governs the Franchise Agreement(s).

2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

3. Your rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

4. In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

5. We are required to defer Initial Franchise Fees until franchisor has satisfied its preopening obligations to franchisee and franchisee has commenced doing business (Section 200.508 of the Rules). The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

6. 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 appliable 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.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum on _____.

FRANCHISOR	**FRANCHISEE**
BUBBAKOO'S FRANCHISE SYSTEMS, LLC	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

REQUIRED ADDENDUM FOR THE STATE OF INDIANA

1. In recognition of the requirements of the Indiana Franchise Registration and Disclosure Law, the Disclosure Document for Bubbakoo's Franchise Systems, LLC in connection with the offer and sale of franchises for use in the State of Indiana shall be amended to include the following:

2. The laws of the State of Indiana supersede any provisions of the Franchise Agreement, the Development Agreement, the other agreements or New Jersey law if such provisions are in conflict with Indiana law.

3. Any provision in the Franchise Agreement and/or Development Agreement which designates jurisdiction or venue, or requires the Franchisee/Developer to agree to jurisdiction or venue, in a forum outside of Indiana, is deleted from any Franchise Agreement and/or Development Agreement issued in the State of Indiana.

4. 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 appliable 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.

REQUIRED ADDENDUM FOR THE STATE OF MARYLAND

MARYLAND ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT:

1. Items 5 and 7 are amended as follows:

   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 development agreement opens.

2. The "**Summary**" section of Item 17(h) entitled **"Cause" defined (defaults which cannot be cured)**, is amended by adding the following:

   The Franchise Agreement provides for termination upon your bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we will enforce it to the extent enforceable.

3. The "**Summary**" sections of Item 17(c) entitled **Requirements for renewal or extension**, and Item 17(m) entitled **Conditions for franchisor approval of transfer**, are amended by adding the following:

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

4. The following are added to the end of the chart in Item 17:

   Despite any contradicting provision in the Franchise Agreement, you have 3 years from the date on which we grant you the franchise to bring a claim under the Maryland Franchise Registration and Disclosure Law.

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

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

6. The following is added under the heading and subheading "Advertising – System-wide Marketing Fund" in Item 11:

   In recognition of the requirements of COMAR 02.02.08.16(G)(1)(b), a franchisee operating in the State of Maryland, or a franchisee who is a resident of the State of Maryland, may obtain an annual accounting of the monies collected and costs incurred by the Marketing Fund within ninety (90) days upon written request delivered to 1670 Route 34 North, Suite 1C, Wall, New Jersey 07727.

MARYLAND ADDENDUM TO THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT:

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

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

3. Termination upon bankruptcy of the Franchisee might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but Franchisor intends to enforce it to the extent enforceable.

4. A franchisee may obtain an annual accounting of the monies collected and costs incurred by the Marketing Fund within ninety (90) days upon written request delivered to 1670 Route 34 North, Suite 1C, Wall, New Jersey 07727.

5. Section 21(I) of the Franchise Agreement shall be supplemented by the following additional language:

   > Provided, however, that this limitation of claims shall not act to reduce the three (3) year statute of limitations afforded franchisee for bringing a claim under the Maryland franchise registration and disclosure law.

6. 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 development agreement opens.

7. The Franchisee Compliance Certification is hereby amended as follows:

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

8. The Franchise Agreement and Development Agreement are hereby amended as follows:

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

Remainder of this page is intentionally left blank.

Signatures to appear on the following page.

BUBBAKOO'S FRANCHISE SYSTEMS, LLC:	**FRANCHISEE:**
By:_____	By:_____
Print Name: _____	Print Name:_____
Title:_____	Title:_____

REQUIRED ADDENDUM FOR THE STATE OF NEW YORK

The following Items are required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself:

1. LITIGATION. Item 3 shall be supplemented with the following language:

   Neither the Franchisor, its affiliates nor any person listed under Item 2 or an affiliate offering franchises under Franchisor's principal trademark:

   (A) has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust or securities law; fraud; embezzlement; fraudulent conversion; misappropriation of property; unfair or deceptive practices; or comparable civil or misdemeanor allegations.

   (B) has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise; anti-fraud or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; unfair or deceptive practices; or comparable allegations.

   (C) is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

2. BANKRUPTCY. Item 4 shall be supplemented with the following language:

   Neither the Franchisor, its affiliates, officers, or general partner during the ten year period immediately before the date of the Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within one year after the officer or general partner of the Franchisor held this position in the company or partnership.

3. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION. Item 17 shall be amended to also state the following:

   i. Provision (d) for the Franchise Disclosure Document is amended by adding the following language in the Summary column:

      "The Franchisee may terminate the agreement on any grounds available by law."

   ii. Provision (j) of the Franchise Disclosure Document is amended by adding the following language in the Summary column:

"However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the franchise agreement."

iii. Provision (w) of the Franchise Disclosure Document is amended by adding the following language in the Summary column:

"The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York."

STATEMENT REQUIRED BY THE STATE OF NEW YORK

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE/DEVELOPER/REPRESENTATIVE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS.

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 appliable 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.

REQUIRED ADDENDA FOR RHODE ISLAND

RHODE ISLAND ADDENDUM TO THE DISCLOSURE DOCUMENT

1. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by the addition of the following:

   § 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

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

RHODE ISLAND ADDENDUM TO THE FRANCHISE AGREEMENT

1. Section 21 of the Franchise Agreement, under the heading "Governing Law and Dispute Resolution," shall be supplemented by the addition of the following new Section 21(M):

   Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

RHODE ISLAND ADDENDUM TO THE DEVELOPMENT AGREEMENT

1. Section 15 of the Development Agreement, under the heading "Jurisdiction and Venue," shall be supplemented by the addition of the following:

   Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

Signatures to appear on the following page.

BUBBAKOO'S FRANCHISE SYSTEMS, LLC:	**FRANCHISEE:**
By:_____	By:_____
Print Name: _____	Print Name:_____
Title:_____	Title:_____

REQUIRED ADDENDA FOR THE COMMONWEALTH OF VIRGINIA

VIRGINIA ADDENDUM TO THE DISCLOSURE DOCUMENT

1. Item 5 is amended as follows:

   The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

2. The **"Summary"** section of Item 17(h) entitled **"'Cause' defined (defaults which cannot be cured)"**, is amended by adding the following:

   Under 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/development 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.

3. The "**Summary**" section of Item 17(r) entitled **"Non-competition covenants after the franchise is terminated or expires"**, is amended by adding the following:

   Effective July 1, 2026, under subdivision A 4 of § 13.1-563 of the Virginia Retail Franchising Act ("**Act**"), it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 of the Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale.

4. The "**Summary**" section of Item 17(w) entitled **"Choice of law"**, is amended by adding the following:

   Effective July 1, 2026, under subsection D of § 13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.

5. The following paragraph is added to the end of Item 17 of the Franchise Disclosure Document:

   No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

VIRGINIA ADDENDUM TO THE FRANCHISE AGREEMENT

1. The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

2. Effective July 1, 2026, the Virginia Retail Franchising Act provides as follows:

   a. Under subdivision A 4 of § 13.1-563 of the Virginia Retail Franchising Act ("Act"), it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 of the Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale.

   b. Under subsection D of § 13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.

VIRGINIA ADDENDUM TO THE DEVELOPMENT AGREEMENT

1. The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the development fee owed by franchisees to franchisor under the development agreement in accordance with this paragraph. Only after the franchisor has completed its pre-opening obligations under the franchise agreement may the franchisor collect from the franchisee the development fee.

2. Effective July 1, 2026, the Virginia Retail Franchising Act provides as follows:

   a. Under subdivision A 4 of § 13.1-563 of the Virginia Retail Franchising Act ("Act"), it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 of the Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale.

   b. Under subsection D of § 13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.

Signatures to appear on the following page.

BUBBAKOO'S FRANCHISE SYSTEMS, LLC:	**FRANCHISEE:**
By:_____	By:_____
Print Name: _____	Print Name:_____
Title:_____	Title:_____

FOR RESIDENTS OF, AND FRANCHISEES OPERATING A FRANCHISED BUSINESS IN, ALL STATES LISTED IN THIS ADDENDUM

Notwithstanding anything in the Franchise Agreement or Development Agreement to the contrary, this Addendum shall not be merged with or into, or superseded by, the Franchise Agreement or Development Agreement. In the event of any conflict between the Franchise Agreement, Development Agreement and this Addendum, this Addendum shall be controlling. Except as otherwise expressly set forth herein or in a separate writing signed by both parties, no other amendments or modifications of the Franchise Agreement are intended or made by the parties.

Applicable State: _____

_____	_____
Franchisee's Name	Franchisee's Name
_____	_____
Franchisee's Signature	Franchisee's Signature
_____	_____
Date	Date

EXHIBIT H
TO THE BUBBAKOO'S FRANCHISE SYSTEMS, LLC
FRANCHISE DISCLOSURE DOCUMENT

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EXHIBIT I
TO THE BUBBAKOO'S FRANCHISE SYSTEMS, LLC
FRANCHISE DISCLOSURE DOCUMENT

SAMPLE RELEASE AGREEMENT

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SAMPLE RELEASE AGREEMENT

In consideration for the consent of Bubbakoo's Franchise Systems, LLC (the "Franchisor"), to the assignment by _____("Franchisee") of its interest in that certain franchise agreement entered into by and between Franchisor and Franchisee dated _____ (the "Franchise Agreement"), Franchisee and its principals hereby remises, releases, and forever discharges Franchisor, its affiliates, parents, subsidiaries, principals, officers, directors and employees and agents, and their respective successors, assigns, heirs and personal representatives, from all debts, covenants, liabilities, actions, and causes of action of every kind and nature through the date of this Release, including but not limited to those arising out of or existing under (a) the Franchise Agreement and the parties respective rights and obligations thereunder, (b) the offer and sale of the BUBBAKOO'S BURRITOS franchised business described therein, and (c) the franchise relationship between the parties hereto, whether in law or in equity. Franchisee acknowledges that this Release is intended to release all claims held by any person against the parties to be released, arising out of any of the matters to be released.

This Release has been entered into and agreed to as of the _____ day of _____, 20____

FRANCHISEE:

By: _____

Print Name: _____

By: _____

Print Name: _____

EXHIBIT J
TO THE TO THE BUBBAKOO'S FRANCHISE SYSTEMS, LLC
FRANCHISE DISCLOSURE DOCUMENT

LIST OF OPEN FRANCHISEES AS OF DECEMBER 31, 2025

Franchisee	Address(es)	State	Phone Number(s)	Number of Franchises
Super Burritos Meriden LLC	533 S Broad St, Meriden, CT 06450	Connecticut	(203) 237-2176	1
Super Burritos North Haven LLC	410 Universal Dr N D Store #01B, North Haven, CT 06473	Connecticut	(475) 254-8179	1
Parthesh Patel	235 Main Ave, Norwalk, CT 06851	Connecticut	(203) 286-7555	1
Parthesh Patel	116 Boston Post Rd, Orange, CT 06477	Connecticut	(203) 298-0745	1
Super Burritos Oxford LLC	71 Oxford Rd Unit B, Oxford, CT 06478	Connecticut	(203) 930-7613	1
Parthesh Patel	800 E Main St, Stamford, CT 06902	Connecticut	(475) 619-9288	1
APHJ INC	1128 Forrest Ave, Dover, DE 19901	Delaware	(302) 257-6867	1
Parthesh Patel	1915 Lake Seymour Dr, Middletown, DE 19709	Delaware	(302) 613-2250	1
BKB BOCA LLC	119 W Palmetto Park Rd Suite 300, Boca Raton, FL 33432	Florida	(561) 245-8859	1
Bubbakoos Florida Holdings LLC[1]	9208 Wiles Road Coral Springs, FL 33067	Florida	(754) 702-3797	2
BT17 INVESTMENTS LLC	1705 Future Wy, Kissimmee, FL 34747	Florida	(321) 939-4400	1
Bubbakoos Space Coast LLC[1] TJ Johnston	3600 N Wickham Road, Suite 109 Melbourne, FL 32935	Florida	(321) 622-6950	1
Plant City Burrito LLC[1]	1701 S Alexander Street, Suite 108 Plant City, FL 33566	Florida	(813) 704-5850	1
Tampa Burrito Company LLC[1]	3940 US-301 S Riverview, FL 33578	Florida	(813) 570-7100	2
Palm Bay LLC TJ Johnston	4700 S Babcock St Palm Bay, FL	Florida	(321) 327-3032	1
TMDW LLC	1751 Pine Island Rd, Cape Coral, FL 33909	Florida	(239) 402-5444	1
BKB Estero LLC	10151 Estero Town Crossing, Place Unit 205, Estero, FL 33928	Florida	(239) 221-8945	1
Burrito Domination LLC	3267 SE Federal Hwy, Stuart, FL 34997	Florida	(772) 779-7879	1

Nooruddin Lalani	2304 S Kirkman Rd, Orlando, FL 32811	Florida	(689) 262-7990	1
Burrito Domination II LLC	9810 Baymeadows Rd #10, Jacksonville, FL 32256	Florida	(904) 379-4667	1
BB Sandlake LLC Basil Maali	3042 W Sand Lake Rd Orlando, FL 32819	Florida	(407) 809-1986	1
JIASAI LLC Jay Patel	229 Wheelhouse Ln Lake Mary, FL 32746	Florida	(407) 708-3677	1
BKB Naples LLC[1] Sean Powers	6345 Naples Blvd Naples, FL 34109	Florida	(239) 880-1874	1
Ruminating Bird LLC	2091 Mt Zion Rd Suite 300, Morrow, GA 30260	Georgia	(404) 449-3380	2
M17 LLC Bimal Patel	909 Eagles Landing Pkwy Stockbridge, GA 30281	Georgia	(678) 941-4874	1
Bhavesh Patel	13545 S Cicero Ave Crestwood, IL 60418	Illinois	(708) 629-6606	1
J&J BURRITO INC	3901 IL-159, Glen Carbon, IL 62034	Illinois	(618) 205-3206	1
EKANSH LLC	3826 E 82nd St, Indianapolis, IN 46240	Indiana	(317) 516-4742	1
Deep Patel	12919 Factory Lane Louisville, KY 40245	Kentucky	(502) 384-0778	1
HEER LLC	7914-A Belair Rd, Baltimore, MD 21236	Maryland	(410) 929-5961	1
MJSM BURRITOS INC	540 Baltimore Pike, Bel Air, MD 21014	Maryland	(667) 925-1925	1
NICOSORA VENTURES INC	22705 Clarksburg Rd #854, Clarksburg, MD 20871	Maryland	(227) 245-9945	1
PRIYA INC	145 Mitchells Chance Rd, Edgewater, MD 21037	Maryland	(443) 837-7707	1
SHUKRANA LLC	5959 Exchange Dr Suite 120, Eldersburg, MD 21784	Maryland	(443) 609-4778	1
MJSM BURRITOS INC	540 Baltimore Pike, Bel Air, MD 21014	Maryland	(667) 925-1925	1
JAY MAHAKALI LLC	835 Nursery Rd, Linthicum Heights, MD 21090	Maryland	(410) 855-4755	1
Urvi & Yash LLC Yash Patel	672-Q Old Mill Rd Millersville, MD 21108	Maryland	(443) 645-0645	1
KKRS LLC	11054 Red Run Blvd, Owings Mills, MD 21117	Maryland	(410) 415-3595	4
Sky Food Inc	350 Mountain Rd, Pasadena, MD 21122	Maryland	(410) 384-6885	1
HANUMAN LLC	911 Taylor Ave, Towson, MD 21286	Maryland	(410) 816-9800	1
SEG Food Hall LLC	6800 Soaring Eagle Blvd, Mt Pleasant, MI 48858	Michigan	(989) 775-5752	1

Harioom Corp	3 Colby Ct Unit #7, Bedford, NH 03110	New Hampshire	(603) 932-2437	1
Mishank Patel	341 Amherst St Nashua, NH 03063	New Hampshire	(603) 880-2484	1
AC Food Hall Partners, LLC Bill White	Resorts hotel and Casino Atlantic City, NJ	New Jersey	(609) 553-7776	1
Shri Padma Priya Inc.	1 Lefante Way Bayonne, NJ 07002	New Jersey	201-243-6647	1
Belmar Moves LLC Daniel Galantucci	1603 Ocean Ave Belmar, NJ	New Jersey	732-586-9711	1
Christie Foods, LLC[1] Jerry Finegan	100 US 46 Budd Lake NJ 07828	New Jersey	(973) 670-6588	1
Jinvani Mata LLC [1]	301 Central Ave. Clark, NJ 07066	New Jersey	732-428-4148	3
Romo LLC[1]	1 Walmart Plaza Clinton, NJ 08809	New Jersey	908-455-9633	1
Partesh Patel	5 Washington Ave Dumont, NJ 07628	New Jersey	201-244-6815	1
I&M Associates LLC Ingrid Williams	936 Route 22 Somerville, New Jersey 08876	New Jersey	(908) 450-7977	1
Freehold Burritos 521, Inc.	521 Soloman Way Freehold, NJ 08901	New Jersey	(646) 262-1988	1
Hamilton Z, Inc. [1] Asim Chaudry	950 Rt. 33 Hamilton, NJ	New Jersey	609-721-2369	1
DZ Dining LLC Zack Malecki	4057 US 9 Howell, NJ 07731	New Jersey	(732) 740-7614	1
Lincoln Burritos LLC[1]	275 Comly Road Lincoln Park, NJ 07035	New Jersey	973-922-1500	3
Akshar AP LLC Kiran Patel	337 Applegarth Road Unit4A Monroe Township, NJ 08831	New Jersey	609-664-2702	1
Easton Burrito Inc.	53 Easton Ave New Brunswick, NJ 08901	New Jersey	(646) 262-1988	1
Shanvi, LLC Partesh Patel	350 Ramapo Valley Road Oakland, NJ 07436	New Jersey	(908) 295-9615	1
Diyashvi Inc[1]	197 Kinderkamack Road Park Ridge, NJ 07656	New Jersey	201-743-3013	1
AVS Hospitality LLC	3043 Rt. 46 Parsippany, NJ 07054	New Jersey	908-295-9615	1
Jay Bhagwan LLC Parth Patel	110 Market Street, Suite 100 Saddle Brook, NJ 07663	New Jersey	201-528-2879	1
North Village Foods LLC[1] Jerry Finegan	12 N Village Blvd. Sparta, NJ 07871	New Jersey	973-846-2500	1

BKB Spotswood LLC	428 Main Street Spotswood, NJ 08884	New Jersey	732-387-3055	1
Shiv Shakti Bubba LLC Varun Patel	1 Premium Outlets, Ste 897 Tinton Falls, NJ 07753	New Jersey	732-444-8384	1
JZI Dining LLC Zack Malecki	888 Fischer Blvd. Toms River, New Jersey 08753	New Jersey	(732) 270-5406	1
ZAX Dining LLC Zack Malecki	1825 NJ 35 Wall, NJ 07719	New Jersey	(518) 772-9378	1
West Long Branch Burritos, Inc.	145 Monmouth Rd. West Long Branch, NJ 07764	New Jersey	(646) 262-1988	1
Bkoos Holding LLC[1]	1340 Hamilton Street Somerset, NJ 08873	New Jersey	848-310-0080	1
ROMO II LLC Harry Typaldos[1]	1350 Galloping Hill Rd Union, NJ 07083	New Jersey	(908) 858-5300	1
Sagu & Patel LLC[1] Amarjit Shah	9 Franklin Turnpike Mahwah, NJ 07430	New Jersey	201-252-2193	2
Freehold Burritos 4345 Inc. Siwei Zhang	4345 US-9 Freehold, NJ 07728	New Jersey	(732) 308-2391	1
Central Jersey Hospitality[1] Wayne Jordan	3070 NJ-35 Hazlet, NJ 07730	New Jersey	(732) 447-2999	2
ARCHIT 11 LLC	6801 Black Horse Pike, Egg Harbor Township, NJ 08234	New Jersey	(609) 241-0107	1
A.B. Patel Inc.	20-26 Maple Ave, Fair Lawn, NJ 07410	New Jersey	(201) 254-9708	1
NJ Best Burritos LLC Chirag Patel	898 Bergen Ave Jersey City, NJ 07306	New Jersey	(201) 267-9701	1
SUSHILA RAOJI LLC Kishan Patel	505 N Broad St Suite 102 Elizabeth, NJ 07208	New Jersey	(908) 845-4100	1
Newark Burritos LLC	136 Washington St, Newark, NJ 07102	New Jersey	(862) 339-0300	1
River Bank LLC	25 NJ-31 Suite 6A, Pennington, NJ 08534	New Jersey	(609) 730-4282	1
West Orange Burritos LLC	495 Prospect Ave, West Orange, NJ 07052	New Jersey	(201) 835-0946	1
BUBBAKOO OF HICKSVILLE INC	180 W Old Country Rd, Hicksville, NY 11801	New York	(516) 336-5355	1
HNR GLOBAL ENTERPRISES INC	7 E Jericho Turnpike, Huntington Station, NY 11746	New York	(631) 470-0443	1
JSNN LLC	425 NY-211, Middletown, NY 10940	New York	(845) 869-9869	1
Hamin Patel	554 NY-17M	New York	845-837-1159	1

	Monroe, NY 10950			
Hamin Patel	113 Temple Hill Road New Windsor, NY 12553	New York	845-522-8126	1
PFG1 Inc. [1]	83 N. Middletown Road Pearl River, NY 10965	New York	845-201-8105	3
Hamin Patel	2265 South Road Poughkeepsie, NY 12553	New York	845-522-8126	1
Gazen Pocesta	1650 Richmond Ave Staten Island, NY 10314	New York	718-524-5866	1
Gazen Pocesta	1145 Bay Street Staten Island, NY 10305	New York	718-524-4098	1
Hamin Patel	260 Main St, New Paltz, NY 12561	New York	(845) 419-1650	1
PFG3 INC	45 Rte 9W, West Haverstraw, NY 10993	New York	(845) 271-3726	1
Sairam 23 Food LLC	5810 Wilmington Pike Centerville, OH 45459	Ohio	937-350-1503	1
Shri Bahuchar LLC	3694 Madison Rd, Cincinnati, OH 45209	Ohio	(513) 818-8333	1
Province Realty LLC Z	9890 Colerain Ave Cincinnati, OH 45251	Ohio	513-978-0916	1
Amba Food LLC	35840 Chester Rd, Avon, OH 44011	Ohio	(440) 517-1950	1
PRAYOSHA MOL LCC	5899 Andrews Rd, Mentor- On-The-Lake, OH 44060	Ohio	440) 290-7061	1
Middletown Burrito LLC	1499 Main St, Hamilton, OH 45013	Ohio	(513) 805-4044	1
Shri Meldi Kupa LLC	690 Eastgate S Dr #200, Cincinnati, OH 45245	Ohio	(513) 752-7700	1
HV Burritos LLC	1916 Warrensville Center Rd Bldg F, Space F-3, South Euclid, OH 44121	Ohio	(216) 306-3950	1
Blue Ash LLC Ben Wang	4752 Cornell Road Blue Ash, OH 45241	Ohio	(513) 999 5199	1
Jatin Patel	47 N Main St Springboro, OH 45066	Ohio	(937) 550-4360	1
MEHA COLUMBUS BURRITOS LLC Jayesh Patel	6048 Sawmill Rd Dublin, OH 43017	Ohio	(614) 689-0555	1
Varahi Food LLC Manisha Patel	7302 Yankee Rd Liberty Township, OH 45044	Ohio	(513) 755-0353	1
Neo Med Enterprises LLC Lee Medcalf	4101 E Royalton Rd Broadview Heights, OH 44147	Ohio	(440) 740-8448	1
EASTON BURRITO INC	2381 Pasqualone Blvd, Bensalem, PA 19020	Pennsylvania	(267) 358-5284	1
YOGDHARAM LLC	190 Forty Foot Rd, Hatfield, PA 19440	Pennsylvania	(215) 362-3332	1

AALIA BURRITO LLC	1892 Leithsville Rd, Hellertown, PA 18055	Pennsylvania	(484) 852-1088	1
MOEIZIMPEX CORP LLC [1]	229 Plaza Blvd Morrisville, PA 19067	Pennsylvania	267-225-1885	1
Hamilton Z, Inc. [1] Asim Chaudry	2550 Grant Ave Philadelphia, PA 19114	Pennsylvania	609-721-2369	1
Kavyan Burrito LLC[1]	252 N. West End Blvd Quakertown, PA 18951	Pennsylvania	267-376-9534	1
BB Centerpoint LLC	768 Street Rd, Warminster, PA 18974	Pennsylvania	(215) 394-5130	1
BB Dreshertown LLC	1650 Limekiln Pike Space B-26, Dresher, PA 19025	Pennsylvania	(267) 468-5933	1
BB FAIRFOODS LLC	3300 Fairmount Ave, Philadelphia, PA 19104	Pennsylvania	(215) 366-2319	1
WHOXTWICE LLC	174 Mundy St, Wilkes-Barre Township, PA 18702	Pennsylvania	(570) 266-7828	1
Jerry Finegan	3578 PA-611 Bartonsville, PA 18321	Pennsylvania	(570) 257-6006	1
Shri Krishna LLC[1]	1825 Madison Street Clarksville, TN 37043	Tennessee	931-542-2232	1
RADHEKRISHANBUBBA LLC	1120 W State of Franklin Rd #30, Johnson City, TN 37604	Tennessee	(423) 631-5973	1
VEEVA LLC	161 North Mount Juliet Road Mt Juliet, TN 37122	Tennessee	615-622-5622	1
VEEV NASH 25 LLC	614 18th Avenue N, Nashville, TN 37203	Tennessee	(615) 622-5622	1
Tanay Dev LLC	5006 Spedale Ct, Spring Hill, TN 37174	Tennessee	(615) 302-8041	1
LOCO RICO LLC[1]	37 W University Pkwy, Orem, UT 84058	Utah	(801) 874-1874	2

[1]Operated pursuant to an Area Development Agreement.

LIST OF SIGNED BUT UNOPENED FRANCHISEES AS OF DECEMBER 31, 2025

Franchisee	Phone Number / Email Address	State	Number of Franchise Agreements Signed
Hiren Patel	Hiren@divinellc.com	CT	2
Rahul Patel	rahulpatel77@gmail.com	DE	1
Nick Patel	98ndpatel@gmail.com	DE	1
Bhavin Patel	bhavin615@yahoo.com	FL	1
Hitesh Patel	hp.dba91@gmail.com	FL	1
Krunal Patel	krunaljj@gmail.com	FL	1
Maikel Awad	maikelawad.ma@gmail.com	FL	1
Harsh Patel	p18harsh@gmail.com	GA	1
Jaymin Patel	pateljaymin948@gmail.com	GA	1
Jignesh Patel	jignesh0922@gmail.com	IN	1
Deep Patel	deeppatel824@gmail.com	MA	1
Krunal Patel	krunaltl@yahoo.com	MA	1
Amar Bravir	brarfranchisee@gmail.com	MD	1
Deep Patel	deeppatel139@gmail.com	MD	1
Mihir Patel	mihirbintadhwena@gmail.com	MD	1
Sukhwinder Sidhu	kksidhu65@yahoo.com	MD	1
Jinal Patel	jinalpatel77@gmail.com	MI	1
Sathyamani Yalamuri	ysdeepakchwdr@gmail.com	MI	1
Yash Patel	yashp95@gmail.com	NC	1
Tej Korat	tej.korat@gmail.com	NC	1
Asim Chaudry	asimzc@yahoo.com	NJ	1
Dhru Patel	dhruvalpatel444@gmail.com	NJ	1
Kishan Patel	Patelhinak@hotmail.com	NJ	1
Manan Shah	Manan.Shah@vrshah.com	NJ	1
Mukesh Patel	Diya0806@gmail.com	NJ	1
Nitin Patel	nitin_patel@live.com	NJ	1
Rikin Patel	rikin415@gmail.com	NY	1
Shrey Patel	shreyansh9591@gmail.com	NY	1
Gurdeep Singh	singhrs32@gmail.com	NY	1
Manny Patel	bharatpatel_bharatpatel@yahoo.com	OH	1
Nivas Patel	Nivas17@gmail.com	PA	1
Riken Patel	Patel-Riken@outlook.com	PA	1
Deepak Patil	patildeepakkumar@gmail.com	PA	1
Ketul Patel	ketulpatel3003@gmail.com	VA	1

EXHIBIT K
TO THE TO THE BUBBAKOO'S FRANCHISE SYSTEMS, LLC
FRANCHISE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM
AS OF DECEMBER 31, 2025

Former Franchisee	State Where Rights or Location Located	Last Known Contact	Reason for Existing System
Shashi Patel	FL	shashibpatel14@gmail.com	Transfer
Jay Patel	IL	jaypateldd@gmail.com	Termination
Patrik Patel	IL	pratiksp@me.com	Termination
Krunal Patel	MA	617-514-1741	Termination
James Rodgers	NV	jrogers6302@aol.com	Termination
Chiragkumar Patel	NJ	Chirag11586@gmail.com	Transfer
Shelly He	NJ	bbkshelly@gmail.com	Transfer
Steve Harrison	NJ	Steve11harrison@gmail.com	Transfer
Zack Malecki	NJ	732-740-7614	Ceased Operations
Owen Chen	NJ	owen190808@gmail.com	Termination
Nash Patel	PA	bubbakoos@jdqsr.com	Transfer
Asim Chaudry	PA	asimzc@yahoo.com	Transfer
Dimple Patel	WV	dimplepatel81@yahoo.com	Termination
Sukey Patel	FL	sp.brentwood@gmail.com	Termination
Raj Lalani	FL	rajlalani@hotmail.com	Transfer
Bassel Maali	FL	bassel@maalienterprises.com	Transfer
Harsh Patel	MD	harshsp93@gmail.com	Transfer

LIST OF FRANCHISEES WHO HAVE NOT COMMUNICATED WITH US WITHIN 10 WEEKS OF THE ISSUANCE DATE OF THIS DISCLOSURE DOCUMENT

None.

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

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EXHIBIT L
TO THE BUBBAKOO'S FRANCHISE SYSTEMS, LLC
FRANCHISE DISCLOSURE DOCUMENT

COMPLIANCE CERTIFICATION

FRANCHISEE COMPLIANCE CERTIFICATION

DO NOT SIGN THIS QUESTIONNAIRE IF YOU ARE A MARYLAND RESIDENT OR THE BUSINESS IS TO BE LOCATED IN MARYLAND.

NOTICE FOR PROSPECTIVE FRANCHISEES WHO RESIDE IN, OR WHO INTEND TO OPERATE THE FRANCHISED BUSINESS IN, ANY OF THE FOLLOWING STATES: CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, WI (EACH A REGULATED STATE):

FOR PROSPECTIVE FRANCHISEES THAT RESIDE IN OR ARE SEEKING TO OPERATE THE FRANCHISED BUSINESS IN ANY REGULATED STATE, SUCH PROSPECTIVE FRANCHISEE IS NOT REQUIRED TO COMPLETE THIS QUESTIONNAIRE OR TO RESPOND TO ANY OF THE QUESTIONS CONTAINED IN THIS QUESTIONNAIRE.

As you know, Bubbakoo's Franchise Systems, LLC ("we", "us"), and you are preparing to enter into a Franchise Agreement and/or Development Agreement for the right to open and operate one (1) or more franchises (each a "Franchised Business"). The purpose of this Questionnaire is to: (i) determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading; (ii) be certain that you have been properly represented in this transaction; and (iii) be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise. **You cannot sign or date this Questionnaire the same day as the Receipt for the Franchise Disclosure Document but you must sign and date it the same day you sign the Franchise Agreement, and pay us the appropriate franchise fee.** Please review each of the following questions carefully and provide honest responses to each question. If you answer "No" to any of the questions below, please explain your answer on the back of this sheet.

Yes____ No ____ 1. Have you received and personally reviewed the Franchise Agreement and/or Development Agreement, as well as each exhibit or schedule attached to this agreement, which you intend to enter into with us?

Yes____ No ____ 2. Have you received and personally reviewed the Franchise Disclosure Document we provided?

Yes____ No ____ 3. Did you sign a receipt for the Disclosure Document indicating the date you received it?

Yes____ No ____ 4. Do you understand all the information contained in the Disclosure Document and the Franchise Agreement you intend to enter into with us?

Yes____ No ____ 5. Have you reviewed the Disclosure Document and Franchise Agreement (and/or Development Agreement) with a lawyer, accountant or other professional advisor and discussed the benefits and risks of operating the Franchised Business with these professional advisor(s)?

Yes____ No ____ 6. Do you understand the success or failure of your Franchised Business will depend in large part upon your skills, abilities and efforts and those of the persons you employ, as well as many factors beyond your control such as demographics of your Premises (or Development Area), competition, interest rates, the economy, inflation, labor and supply costs, lease terms and the marketplace?

Yes____ No ____ 7. Do you understand we have only granted you certain, limited territorial rights under the Franchise Agreement, and that we have reserved certain rights under the Franchise Agreement?

Yes____ No ____ 8. Do you understand we and our affiliates retain the exclusive unrestricted right to engage, directly or through others, in the providing of services under the BUBBAKOO'S BURRITOS® mark or any other mark at any location outside your (a) Designated Territory

under the Franchise Agreement and (b) Development Area if you have entered into a Development Agreement, without regard to the proximity of these activities to the premises of your Franchised Business(es) or Development Area?

Yes____ No ____ 9. Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement must be mediated, at our option, in Wall, New Jersey?

Yes____ No ____ 10. Do you understand the Franchise Agreement and Development Agreement provide that you can only collect compensatory damages on any claim under or relating to the Franchise Agreement and are not entitled to any punitive, consequential or other special damages?

Yes____ No ____ 11. Do you understand the sole entity or person against whom you may bring a claim under the Franchise Agreement or Development Agreement is us?

Yes____ No ____ 12. Do you understand that the Franchisee (or one of its principals if Franchisee is an organization), as well as any Designated Managers (as defined in the Franchise Agreement), must successfully complete the appropriate initial training program(s) before we will allow the Franchised Business to open or consent to a transfer of that Franchised Business?

Yes____ No ____ 13. Do you understand that we require you to successfully complete certain initial training program(s) and if you do not successfully complete the applicable training program(s) to our satisfaction, we may terminate your Franchise Agreement?

Yes____ No ____ 14. Do you understand that we do not have to sell you a franchise or additional franchises or consent to your purchase of existing franchises (other than those that you timely fulfill your development obligations and have contracted to open under the Development Agreement, provided you have not materially breached that agreement and failed to timely cure that breach)?

Yes____ No ____ 15. Do you understand that we will send written notices, as required by your Franchise Agreement and/or Development Agreement, to either your Franchised Business or home address until you designate a different address by sending written notice to us?

Yes____ No ____ 16. Do you understand that we will not approve your purchase of a BUBBAKOO'S BURRITOS franchise, or we may immediately terminate your Franchise Agreement, if we are prohibited from doing business with you under any anti-terrorism law enacted by the United States Government?

Yes____ No ____ 17. Is it true that no broker, employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Franchised Business that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document?

Yes____ No ____ 18. Is it true that no broker, employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Franchised Business will generate, that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document?

Yes____ No ____ 19. Is it true that no broker, employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement and/or Development Agreement concerning advertising, marketing, media support, marketing

penetration, training, support service or assistance that is contrary to, or different from, the information contained in the Disclosure Document?

Yes____ No ____ 20. Is it true that no broker, employee or other person providing services to you on our behalf has solicited or accepted any loan, gratuity, bribe, gift or any other payment in money, property or services from you in connection with a Franchised Business purchase with exception of those payments or loans provided in the Disclosure Document?

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

_____	_____
Signature of Franchise Applicant	Signature of Franchise Applicant
_____	_____
Name (please print)	Name (please print)
Dated: _____, 20_____	Dated: _____, 20_____
_____	_____
Signature of Franchise Applicant	Signature of Franchise Applicant
_____	_____
Name (please print)	Name (please print)
Dated: _____, 20_____	Dated: _____, 20_____

GIVE A COMPLETE EXPLANATION OF ANY NEGATIVE RESPONSES ON BACK OF THIS PAGE (REFER TO QUESTION NUMBER).

EXHIBIT M
TO THE TO THE BUBBAKOO'S FRANCHISE SYSTEMS, LLC
FRANCHISE DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Florida, Hawaii, Kentucky, Indiana, Maryland, Michigan, Minnesota, Nebraska, New York, North Dakota, Rhode Island, South Dakota, Texas, Utah, Virginia, Washington and Wisconsin.

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws if an effective date is noted below for the state:

State	Effective Date
Illinois	
Indiana	
Maryland	
Michigan	April 17, 2026
New York	
Rhode Island	
Virginia	
Wisconsin	April 17, 2026

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 N
TO THE TO THE BUBBAKOO'S FRANCHISE SYSTEMS, LLC
FRANCHISE DISCLOSURE DOCUMENT

RECEIPTS

RECEIPTS (OUR COPY)

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

If Bubbakoo's Franchise Systems, LLC offers you a franchise it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreements or payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement, or the payment of any consideration, whichever occurs first.

If Bubbakoo's 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 law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state administrator identified in Exhibit A of this Franchise Disclosure Document.

The Issuance Date of this Disclosure Document is April 17, 2026.

A list of franchisor's agents registered to receive service of process is listed as Exhibit A to this Franchise Disclosure Document.

I have received a Franchise Disclosure Document with an Issuance Date of April 17, 2026, which contained the following Exhibits.

Exhibit A – List of State Administrators and List of Agents for Service of Process
Exhibit B – Franchise Agreement
Exhibit C – Area Development Agreement
Exhibit D – Conversion Addendum
Exhibit E – Financial Statements
Exhibit F – Guarantee of Performance
Exhibit G – State Specific Addenda
Exhibit H – Operations Manual Table of Contents
Exhibit I – Sample Release Agreement
Exhibit J – List of Current Franchisees
Exhibit K – List of Former Franchisees
Exhibit L – Franchisee Questionnaire
Exhibit M – State Effective Dates
Exhibit N –Receipts

The franchise seller(s) for this offering is/are as follows:
Chris Ives at Bubbakoo's Franchise Systems, LLC, 1670 Route 34 North, Suite 1C, Wall, New Jersey 07727, or at telephone number (732) 475-6644.

_____

_____

If an individual:	If a Partnership, Corporation or Limited Liability Corporation:
By: _____	Name: _____
Name: _____	Title: _____
Date: _____	Name of Entity: _____
Telephone Number: _____	Address: _____
	Date: _____

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RECEIPT (YOUR COPY)

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

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_____
_____

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Exhibit N –Receipts

<u>If an individual:</u>

By: _____

Name: _____

Date: _____

Telephone Number: _____

<u>If a Partnership, Corporation or Limited Liability Corporation:</u>

Name: _____

Title: _____

Name of Entity: _____

Address: _____

Date: _____

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