FRANCHISE DISCLOSURE DOCUMENT

MR BREWS TAPHOUSE INTERNATIONAL, LLC
Wisconsin limited liability company
N9059 Riverview Road
Birnamwood, WI 54414
(608) 556-1775
info@mrbrewstaphouse.com
www.mrbrewstaphouse.com

Mr Brews Taphouse® Restaurants are restaurants featuring a variety of craft beer selections and high-quality hamburgers served on bakery fresh buns along with other food and beverage products in a distinctive, casual and family-friendly atmosphere.

The total investment necessary to begin operation of a Mr Brews Taphouse® Restaurant franchise is $501,500 to $962,000. This includes $45,000 that must be paid to the franchisor or affiliate. If you enter into an Area Development Agreement, you must also pay a Development Fee to the franchisor equal to 25% of the Initial Fees for the Mr Brews Taphouse® Restaurants that you are required to develop under the Area Development Agreement.

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 Disclosure 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 Mr. Steven Day at N9059 Riverview Road, Birnamwood, WI 54414, (608) 556-1775.

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

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

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: March 12, 2026

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

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

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

THE FOLLOWING APPLIES ONLY TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW

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

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

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

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

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

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

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

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

(i) The failure of the proposed franchisee 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.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee or subfranchisor until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

Any questions regarding the notice should be directed to:

State of Michigan
Corporate Oversight Division
Attention: Franchise
525 West Ottawa
G. Mennen Williams Building, 5th Floor
Lansing, Michigan 48913
Telephone: 517-335-7567

MR BREWS TAPHOUSE INTERNATIONAL, LLC

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1. THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

Franchisor

Mr Brews Taphouse International, LLC is the Franchisor, and is referred to in this Disclosure Document as "Mr Brews." "You" means the person or entity who buys the franchise from Mr Brews. If the franchise is purchased by a corporation, limited liability company, partnership or other entity, then "you" may also mean the shareholders, members, partners or other owners of that entity.

This Disclosure Document is for the offer and sale of franchised Mr Brews Taphouse® restaurants by Mr Brews. This restaurant concept is referred to in this Disclosure Document as the "Mr Brews Restaurant" or the "Restaurant."

Mr Brews is a Wisconsin limited liability company formed on September 22, 2015 that does business under its entity name. The principal business address of Mr Brews is N91 W15720 Falls Parkway, Menomonee Falls, WI 53052. Mr Brews' mailing address is N9059 Riverview Road, Birnamwood, WI 54414. Mr Brews does not conduct any other business, and has not offered franchises for any other restaurant concept or franchises in any other line of business, other than the franchises being offered in this Disclosure Document. Mr Brews has never owned or operated any Mr Brews Restaurants, but an affiliate of Mr Brews owns and operates a Mr Brews Restaurant (see below in this Item).

The agents for service of process on Mr Brews are listed in the State Agency Exhibit (Exhibit G) attached to this Disclosure Document.

Predecessors and Affiliates of Mr Brews

Mr Brews has no predecessors. No affiliates of Mr Brews have offered or will offer franchises in any line of business, or will provide products or services to Mr Brews' franchisees.

Mr Brews commenced its franchise program in October 2015. As of December 31, 2025, there were ten operational franchised Mr Brews Restaurants (see Exhibit A).

Mr Brews Taphouse Holdings, LLC is a limited liability company formed under Wisconsin law on September 9, 2013 that is an affiliate of Mr Brews. Mr Brews Taphouse Holdings, LLC owns the Marks disclosed in Item 13 of this Disclosure Document. Mr Brews Taphouse Holdings, LLC licensed the Marks to Mr Brews for the Mr Brews Taphouse® restaurant franchise program.

Currently, there is one affiliated-owned Mr Brews Restaurant in Wisconsin that is owned by a Wisconsin limited liability company that is wholly-owned by Mr Brews Taphouse Holdings, LLC. Further details about the affiliate-owned Mr Brews Restaurant are included in Exhibit A to this Disclosure Document.

Franchised Business

Mr Brews grants franchises for the operation of Mr Brews Restaurants. Mr Brews Restaurants are restaurants featuring a variety of craft beer selections and high-quality hamburgers served on bakery fresh buns along with other food and beverage products in a distinctive, casual and family-friendly atmosphere.

The restaurant business is highly competitive for pricing, service, restaurant location, and food quality, and is subject to changes in consumer taste, economic conditions, population and travel patterns. You will compete with locally owned restaurants, including restaurants that offer similar menu items, as well as with national and regional restaurant chains. Mr Brews Restaurants also compete for experienced management personnel and kitchen staff, and commercial real estate and lease sites suitable for restaurants.

Regulations Specific to the Restaurant Industry

The restaurant industry is heavily regulated. Many of the laws, rules and regulations that apply to businesses generally have particular applicability to restaurants. All Mr Brews Restaurants must comply with federal, state and local laws applicable to the operation and licensing of restaurant businesses, including nutritional disclosure requirements, regulations affecting the content of foods served in restaurants and obtaining all applicable health permits and/or inspections and approvals by municipal, county or state health departments that regulate food and liquor service operations. Your Restaurant must also meet applicable municipal, county, state and federal building codes and handicap access codes. You should consider the cost and time required to comply with these laws and regulations when evaluating your purchase of a franchised Mr Brews Restaurant.

You must secure a liquor license to sell alcoholic beverages at your Restaurant. The difficulty and cost of obtaining a liquor license, and the steps for securing the license, vary greatly from area to area. There is also wide variation in state and local laws and regulations that govern the sale of alcoholic beverages. In addition, state dram shop laws give rise to potential liability for injuries that are directly or indirectly related to the sale and consumption of alcohol.

The U.S. Food and Drug Administration, the U.S. Department of Agriculture and state and local health departments administer and enforce regulations that govern food preparation and service and restaurant sanitary conditions. State and local agencies inspect restaurants to ensure that they comply with these laws and regulations.

The Federal Clean Air Act and various state laws require certain state and local areas to meet national air quality standards limiting emissions of ozone, carbon monoxide and particles, including caps on emissions from commercial food preparation. Some state and local governments also regulate indoor air quality, including limiting the use of tobacco products in public places, such as restaurants.

Area Development Agreement

If you meet the qualifications established by Mr Brews, and subject to Mr Brews' consent which can be withheld in its discretion, you may be allowed to enter into an Area Development Agreement for the development of multiple Mr Brews Restaurants in a designated geographic area called a "Territory." Under the Area Development Agreement, you must develop in your Territory an agreed upon number of Mr Brews Restaurants within a specified period of time. You will sign a separate then-current Franchise Agreement for each Restaurant you develop under the Area Development Agreement.

2. BUSINESS EXPERIENCE

Steven J. Day: President

Mr. Steven Day has been the President of Mr Brews since September 22, 2015. He has also been the President of Mr Brews Taphouse Holdings, LLC in Birnamwood, Wisconsin, since September 2013.

Mark A. Leach: Chief Operating Officer; President of Franchise Development

Mr. Mark Leach has been the President of Franchise Development since June 2023 and the Chief Operating Officer since October 2024. Mark also held the Chief Operating Officer from July 2019 to June 2023. Prior to that he was Senior Director of Franchise Operations for Mongolian Concepts in Irving, Texas from December 2017 to March 2019, and Director of Franchise Operations for Mongolian Concepts in Irving, Texas from February 2011 to December 2017.

Kara Day: Chief Financial Officer

Ms. Kara Day has been our Chief Financial Officer since August 2019. She previously served as a Business Manager at the company from March 2014 until August 2019.

Aline Misaiphon: Director of Franchise Operations Support

Ms. Misaiphon has been our Director of Franchise Operations Support since November 2025. Prior to that she was an operator at R&L Restaurant Group from August 2018 to November 2025 in Bella Vista, Arkansas.

3. LITIGATION

No litigation is required to be disclosed in this Item.

4. BANKRUPTCY

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

5. INITIAL FEES

Initial Fee

If you sign a Franchise Agreement for a single Mr Brews Restaurant, you will pay Mr Brews a nonrefundable Initial Fee of $45,000. You must pay the Initial Fee in full when you sign the Franchise Agreement. Except as disclosed below in this Item, the amount of the Initial Fee charged by Mr Brews is uniform.

Development Fee

If you enter into an Area Development Agreement with Mr Brews, you must pay Mr Brews a nonrefundable Development Fee when you sign the Area Development Agreement. The amount of the Development Fee you will pay to Mr Brews will equal 25% of the applicable Initial Fees payable for each Restaurant you are required to open in the Territory according to the Development Schedule in the Area Development Agreement. In addition to paying the

Development Fee when you sign the Area Development Agreement, you will sign a separate Franchise Agreement for each Restaurant you develop under the Area Development Agreement and pay the remaining balance of the applicable Initial Fee for each Restaurant in the Territory according to the following schedule:

Restaurants in Territory	**Amount of Initial Fee**	**25% of Initial Fee Included in Development Fee** (1)	**Remaining Balance of Initial Fee** (2)
1st	$45,000	$11,250	$33,750
2nd	$40,000	$10,000	$30,000
3rd and each subsequent Restaurant in Territory	$35,000	$8,750	$26,250

Footnotes:

(1) The Development Fee includes 25% of the Initial Fee for each Restaurant you are required to develop in your Territory. The Development Fee is not refundable under any circumstances.

(2) The remaining balance of each Initial Fee is paid to Mr Brews when you sign the Franchise Agreement, and is nonrefundable.

You will pay the Development Fee in full when you sign the Area Development Agreement. You must sign the Franchise Agreement for the first Restaurant in your Territory when you sign the Area Development Agreement. You will pay the remaining balance of the applicable Initial Fee as disclosed in the above schedule each time you sign a then-current Franchise Agreement for each Restaurant you develop according to the Development Schedule in the Area Development Agreement.

During 2025, we offered one franchisee a reduced initial fee of $15,000.

6. OTHER FEES

Type of Fee	**Amount**	**Date Due**	**Remarks (1)(2)**
Royalty Fees	5% of weekly Revenues, or $575, whichever is greater (3)	Monday of each week for the preceding week, or at such time as may be designated by Mr Brews	Payable each week after the Restaurant commences business; the term “Revenues” is defined in the Franchise Agreement as the total dollar sales for your Restaurant. Excluded from the definition of Revenues are sales, use or gross receipts taxes, gift card sales, the value of complimentary Foods, Beverages and Products, and the one-time sale of any FF&E or inventory items.
Marketing Fund Fees	1% of weekly Revenues	Monday each week for the preceding week	Deposited in the advertising and marketing fund (the “Marketing Fund”) controlled by Mr Brews.
Audit Fees	Estimated to range from $1,500 to $3,000	Within 10 days after receipt of an invoice indicating the amount owed to Mr Brews	Amount incurred by Mr Brews to audit your Restaurant business; payable only if an audit shows that you understated your Revenues by more than 2% in any month, quarter or year.

Type of Fee	Amount	Date Due	Remarks (1)(2)
Assignment Fee	$5,000	On or before the date of the assignment of the Franchise Agreement or Area Development Agreement	You must obtain Mr Brews' prior approval for an assignment.
Collection Costs	Varies	On demand	Amount incurred by Mr Brews to collect unpaid Fees; includes attorneys' fees and related costs.
Interest Charges	The lesser of 18% per annum or the maximum legal rate allowable by applicable law	On demand	Applies to past due payments payable to Mr Brews.
New Management Staff Training	Then-current fee, which is currently $500 per day of training; and the Travel Expenses of each trainer (4)	Within 10 days after receipt of an invoice indicating the amount owed to Mr Brews	Payable if you hire new Management Staff employees; Travel Expenses are payable if training is provided at your Restaurant. We reserve the right to increase the fee for training; however, we will not increase the fee more than 25% per year.
On-site Training or Consulting Fees	Then-current fee, which is currently a per-diem amount of $500 for each trainer, plus the Travel Expenses of each trainer (4)	Within 10 days after receipt of an invoice indicating the amount owed to Mr Brews	Payable if Mr Brews conducts additional training at your Restaurant, you need more than 9 days of opening assistance, or you request that consulting assistance be provided at your Restaurant. We reserve the right to increase the per diem amount; however, we will not increase the amount more than 25% per year.
Relocation Fee	$5,000	On the date you receive approval from Mr Brews to relocate the Restaurant to a new Franchised Location	Payable only if you receive approval from Mr Brews to relocate the Franchised Location.
Reacquisition Fee	10% of the Initial Fee in the then-current standard Franchise Agreement	When you sign a new Franchise Agreement	Payable only if, after the expiration of your Franchise Agreement, you meet all requirements and reacquire the Franchise for your Mr Brews Restaurant.

Type of Fee	Amount	Date Due	Remarks (1)(2)
Local Advertising Fee	$2,500 per year or 1% of weekly Revenues if your Restaurant participates in an LAA	Payable to Local Advertising Association	You must spend at least $2,500 on approved Local Advertising each calendar year. When there are two or more Mr Brews Restaurants in your DMA, Mr Brews may require that you contribute Local Advertising Fees equal to 1% of your weekly Revenues to a Local Advertising Association ("LAA"). If a local advertising group (a "Local Advertising Association" or "LAA") is established for the Designated Market Area ("DMA") in which your Restaurant is located, the Local Advertising Fee paid by you to the LAA will be applied to your Local Advertising requirement. The Members participating in and contributing to the LAA will include the franchised Mr Brews Restaurants and the Restaurants owned and operated by Mr Brews or an affiliate located in the DMA. Each Member will have one vote for each Restaurant owned by it in the DMA. If the Production and Marketing approved by Members exceeds the funds of the LAA, then the Local Advertising Fee may be increased by a vote of a majority of Members of the LAA. If you fail to spend $2,500 for approved Local advertising in any calendar year, you will deposit with Mr Brews the difference between the amount we require you to spend and the amount you actually spent. See Item 11.
Review of Unapproved Supplier	Estimated to range from $5,000 to $7,500	Within 10 days after receipt of an invoice indicating the amount owed to Mr Brews	You must reimburse Mr Brews for the expenses it incurs inspecting or evaluating an unapproved supplier; payable only if you request that Mr Brews review and approve a previously unapproved supplier (see Item 8).
Convention Registration Fees	Then-current registration fee for the event	When you register for a convention, meeting, seminar, franchisee gathering or other group session	The individuals designated by Mr Brews will attend each group event held by Mr Brews. Mr Brews will determine the topics covered, duration, dates and locations of all such events. We reserve the right to increase the convention registration fees; however, we will not increase the amount more than 25% per year.
Restaurant Evaluation Fees	½ of the then-current fees charged by the service provider to evaluate your Restaurant	Within 30 days after receipt of an invoice indicating the amount owed to Mr Brews	The fees charged by the service provider for evaluating your Restaurant will be shared equally by Mr Brews and you. However, if your Restaurant fails a food safety evaluation, you must pay the full cost of any required follow-up evaluation, as well as the full cost of the original failed evaluation.
Non-Compliance Fee	$1,000 per occurrence, and $100 for each week such default or non-compliance remains uncured (5)	As incurred	The fees charged by us in the event of any instance of your non-compliance with the Franchise Agreement, Operations Manual, or other policies and Mr Brews System standards, for which Mr Brews notifies you of such default or non-compliance.

Type of Fee	Amount	Date Due	Remarks (1)(2)
Gift Card Liability Payout	Outstanding gift card amount less the current breakage percentage	Upon closure, abandonment or termination of the Restaurant	If the Restaurant closes, you will pay Mr Brews the full amount of the Restaurant's outstanding gift card liability at the time of closing, reduced by the then-current percentage of anticipated gift card non-redemption, as established by Mr Brews.

Footnotes:

(1) With the exception of the costs associated with Local Advertising, each fee is payable by EFT to Mr Brews. Except for the Royalty Fees payable by the franchisee that was an affiliate of Mr Brews for the first five years of its Franchise Agreement, the fees disclosed in this Item are uniformly imposed by Mr Brews. Different versions of the Franchise Agreement and Area Development Agreement effective during prior and future registration periods may contain different fees, due dates and fee amounts.

(2) All Fees are nonrefundable.

(3) If you sign an Area Development Agreement, then for the second and each subsequent Franchise Agreement you sign for the Restaurants, you must develop under the Area Development Agreement, you will pay weekly Royalty Fees at the rate specified in the Franchise Agreement for your first Restaurant, even if the Royalty Fees in subsequent Franchise Agreements differ. You will pay all other Fees in the amounts specified in each Franchise Agreement that you sign for the Restaurants you develop under the Area Development Agreement.

(4) "Travel Expenses" include all costs incurred for travel, transportation, food, lodging, telephone calls, automobile rental and all other related expenses.

(5) The Non-Compliance Fee is intended to reimburse Mr Brews for its damages and other losses incurred, as well as the time, expense, and other expenditure of resources incurred due to a franchisee's default or non-compliance. The additional weekly charge is Mr Brews best estimate of the ongoing costs to monitor a franchisee's action until the default or non-compliance is rectified and cured.

7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount (1) Low – High		Method of Payment (2)	When Due	To Whom Payment Is To Be Made
Initial Fee (3)	$45,000	$45,000	Lump Sum	See Item 5	Mr Brews
Leasehold Improvements (4)	$200,000	$460,000	As Arranged	As Incurred	Suppliers
Lease Payments – 3 Months (5)	$10,000	30,000	As Incurred	As Incurred	Landlord
Wages, Travel and Living Expenses for You and Your Management Staff During Training (6)	$6,000	$10,000	As Incurred	As Incurred During Training	Employees, Airlines, Hotels and Restaurants

Type of Expenditure	Amount (1) Low – High		Method of Payment (2)	When Due	To Whom Payment Is To Be Made
Furniture, Fixtures, Supplies, Inventory, Décor and Equipment (7)	$80,000	$160,000	As Arranged	As Incurred	Suppliers or Leasing Companies
Architectural, Engineering Fees (8)	$10,000	$25,000	As Arranged	Before Opening	Suppliers
Signage	$15,000	$30,000	As Arranged	As Incurred	Suppliers
Point-of-Sale and Computer System (9)	$10,000	$15,000	As Arranged	As Incurred	Suppliers
Liquor License Costs (10)	$2,000	$10,000	Lump Sum	Before Opening	Governmental Agencies and for Professional Services
Insurance Premiums – 3 Months	$1,500	$2,000	As Arranged	As Arranged	Insurance Companies
Employee Salaries – 3 Months (11)	$60,000	$72,500	As Incurred	As Incurred	Employees
Miscellaneous (12)	$2,000	$2,500	As Incurred	Before Opening or As Otherwise Arranged	Landlord, Utilities, Government Agencies, Attorneys, Accountants and Other Professionals
Additional Funds – 3 Months (13)	$60,000	$100,000	As Incurred	As Incurred	Mr Brews, Landlord, Suppliers and Utilities
Total (14) (15)	$501,500	$962,000			

Footnotes:

(1) For the estimated range of costs, Mr Brews relied on (i) the historical operations of the Restaurants owned and operated by affiliated entities, as discussed in Item 1 of this Disclosure Document, and (ii) the initial opening investment associated with the Arkansas franchised Restaurant that opened in 2025. You should carefully review these figures with your business advisor before making any decision to purchase a franchised Mr Brews Restaurant.

(2) Payments are not refundable unless otherwise noted. Mr Brews does not offer direct or indirect financing.

(3) The Initial Fee for a single Mr Brews Restaurant is $45,000, payable in full when you sign the Franchise Agreement. If you enter into an Area Development Agreement, the Initial Fee for the first Mr Brews Restaurant in your Territory is $45,000, payable in the following manner: $11,250 when you sign the Area Development Agreement (included in the Development Fee) and $33,750 when you sign the Franchise Agreement for the Restaurant. You will sign the Franchise Agreement for the first Restaurant in your Territory when you sign the Area Development Agreement. See Item 5 for additional information.

(4) These estimated costs are to remodel an existing building or space to meet the image and décor requirements for Mr Brews Restaurants. Costs for leasehold improvements will vary greatly,

depending upon the location, condition, layout and content of the site, labor and material costs, and other economic factors.

(5) Mr Brews Restaurants will typically require from 2,000 to 3,000 square feet of floor space. The cost per square foot of leasing commercial property will vary considerably depending upon location and market conditions, and can range from $20 to $40 per square foot. This estimate does not provide for the purchase of land or the construction of a building. If you buy unimproved real estate and construct your Restaurant, the total estimated initial investment for your Restaurant will be significantly higher. You may be able to negotiate various terms with your landlord, including providing you with a "Tenant Improvement Contribution" (or similar term) whereby the landlord reimburses certain costs and expenses associated with your construction and build-out of your Restaurant. When preparing a budget for the build-out/improvement of your Restaurant, we strongly recommend that you consult with a business advisor with experience in real estate and leasing where you intend and expect to locate your Restaurant to evaluate whether such concessions might be made available to you, all prior to entering into any agreement with us.

(6) You must pay for the Salaries and Benefits, Travel Expenses and other expenses while you and your Management Staff attend the training program (see Item 11 for additional information).

(7) This includes the cost of kitchen and bar equipment, registers, booths, bars, small wares, office equipment and supplies. Your furniture, fixtures, supplies, inventory, décor and equipment may be financed through a bank or other financial institution, leased or purchased outright.

(8) Mr Brews will provide a set of the plans and specifications for an existing Restaurant which may need significant modifications, at your expense, because of the unique aspects of the site you choose for your Restaurant. We highly recommend, but do not currently require, you to use a vendor we approve or designate for design, engineering, and construction management in connection with the development of your Restaurant. The amount of fees you incur, will vary based on design, layout and specifications of your Restaurant premises and the geographic market in which you operate. You may also elect to retain additional business consultants, general contractors, or other representatives to assist you, which may cause your expenses to be higher than the amounts listed.

(9) This includes the cost to purchase and install the computer hardware, peripherals, and software that will serve as the point-of-sale computer system for your Restaurant, and a maintenance agreement for that system (see Item 11).

(10) Liquor license costs will generally range from $2,000 to $10,000. However, in isolated instances, you may have to pay an amount that is substantially higher for a liquor license. You must check with the local licensing regulatory agency to determine the cost of your liquor license.

(11) This estimate does not include the Salaries and Benefits for you and your Management Staff during training.

(12) Miscellaneous fees include such items as security deposits, utility and license deposits, commissions, permits, miscellaneous professional fees to acquire or lease the premises of your Franchised Location, and other accounting and legal fees. You should check with the local regulatory agency that issues building permits to determine what impact, connection, or other site development fees may be required for the specific site for your Mr Brews Restaurant.

(13) During the first 3 months of operations, you will need additional funds to cover your expenditures for food and beverage inventories, Fees due under the Franchise Agreement, Local Advertising, utilities, office and other supplies, and other miscellaneous operating costs. Your estimated additional funds have not been offset by any allowance for your operating revenues during this 3-

month period. You may need additional funds during the first 3 months of operation and afterwards. Your initial working capital requirements may increase or decrease depending upon your geographic area, number of employees, labor rates, minimum wage laws, and other economic factors. For the estimated range of additional funds that you will need during your first 3 months of operation, Mr Brews relied on the initial operations of the Restaurants owned and operated by affiliated entities (see Item 1) and the initial operations of the Arkansas franchised Restaurant that opened in 2025.

(14) These figures are estimates only, and it is possible that you may have additional or greater expenses during this period. Your costs will vary depending on the size of your Mr Brews Restaurant, your geographic area, economic and market conditions, competition, interest rates, wage rates, sales levels attained, and other economic factors.

(15) If you enter into an Area Development Agreement, the estimated initial expenditures for your first Restaurant will be as disclosed above in the chart in this Item, except you must also pay Mr Brews a nonrefundable Development Fee. As a consequence, the estimated initial investment low and high amounts disclosed above will be increased by the amount of the Development Fee you must pay in full to Mr Brews when you sign the Area Development Agreement (see Item 5).

8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Obligation to Purchase or Lease Products or Services from Mr Brews or an Affiliate

Neither Mr Brews nor any affiliate currently sells or leases any products or services to you. However, Mr Brews or an affiliate may be a designated or approved supplier for Mr Brews franchisees in the future. No officers of Mr Brews currently own any ownership interests in any designated or approved suppliers.

Obligation to Purchase or Lease Products and Services under Mr Brews' Restrictions

Selected items, such as certain brand name products, are manufactured or produced only by manufacturers or producers approved by Mr Brews in writing. To ensure that you adhere to the uniformity requirements and quality standards associated with all Mr Brews Restaurants, you must purchase these items for your Mr Brews Restaurant, but you may purchase them from any distributor that can supply them. Mr Brews will provide a written list of these selected Foods, Beverages and Products. Mr Brews will also notify you of any additions to or deletions from this list.

You must purchase or lease certain Foods, Beverages and Products which satisfy the written standards and specifications established by Mr Brews. This requirement is necessary to ensure that you adhere to the uniformity requirements and quality standards associated with all Mr Brews Restaurants. Mr Brews will provide you with written standards and specifications for the layout of your Restaurant premises, the decor of your Restaurant, your equipment and signs, including your Computers and Software (see Item 11), and certain food and beverage items.

Mr Brews will issue specifications for the insurance you must carry. The current types and amounts of coverages required for your Restaurant are specified in Article 14 of the Franchise Agreement. You must obtain commercial comprehensive general liability insurance with coverage of at least $1,000,000 per occurrence and $3,000,000 aggregate coverage, liquor liability insurance with coverage of at least $1,000,000 per occurrence, automobile insurance with coverage of at least $500,000 per occurrence, property insurance with replacement cost coverage, business interruption insurance, building insurance with coverage of at least replacement cost, employment practices liability insurance with coverage of at least $1,000,000

per occurrence, vendor insurance with coverage of at least $1,000,000 per occurrence, data breach/cyber breach liability insurance, umbrella liability insurance with coverage of at least $2,000,000, and all insurance required by law, such as workers' compensation insurance.

All insurance policies procured and maintained that you procure must name Mr Brews as an additional insured, will contain endorsements by the insurance companies waiving all rights of subrogation against Mr Brews, will, as applicable, include primary and non-contributory endorsement or language in form and content as Mr Brews periodically requires, and will stipulate that Mr Brews will receive copies of all notices of cancellation, non-renewal or elimination at least 30 days prior to the effective date of such cancellation, non-renewal or coverage elimination.

Mr Brews determines its uniformity and quality standards and specifications, in its sole discretion. Mr Brews may modify its written standards and specifications, and you must comply with any modifications. You will be responsible for ensuring that all the Foods, Beverages and Products selected by you will continue to conform to the standards and specifications established by Mr Brews.

You must also purchase or lease certain other Foods, Beverages and Products required for your Restaurant only from suppliers designated or approved by Mr Brews. Mr Brews will provide a written list of designated or approved suppliers for these Foods, Beverages and Products. Mr Brews will also notify you in writing of any additions to or deletions from this list. If you want to contract with a supplier to purchase foods, beverages or products subject to Mr Brews' approved supplier requirements who has not been previously approved by Mr Brews, then you must, at your expense, send to Mr Brews representative samples or specifications of that supplier's products or services, and certain other information about the supplier's products and business. Mr Brews will also have the right to inspect the supplier's facilities and otherwise evaluate the proposed supplier and its products or services, and you must reimburse Mr Brews for the expenses it incurs, estimated to range from $5,000 to $7,500, to inspect and evaluate the supplier. Within 90 days after receiving the necessary samples and information, Mr Brews will notify you in writing as to whether the supplier's products or services comply with the uniformity requirements, quality standards and specifications established by Mr Brews, and whether the supplier's business reputation, delivery performance, credit rating and other relevant information are satisfactory. Mr Brews may later revoke any previously approved alternative supplier upon written notice to you. The criteria for supplier approval are available to franchisees upon request.

If you choose to use third-party delivery services (e.g. UberEats, DoorDash, etc.) at your Restaurant, Mr Brews has the right to require that you only use specific vendors, who have been approved by us, for such services. Mr Brews reserve the right to require that you use a specific vendor for the system that enables automatic order integration between such third-party vendors and the point-of-sale system. Mr Brews further reserves the right to adjust royalties, fees, and other policies, as necessary, to account for changes in the volume of orders received, and the fees associated with, third-party delivery services.

Mr Brews estimates that purchases of Food, Beverages and Products that meet Mr Brews' standards and specifications and purchases from designated or approved suppliers will constitute up to 70% of your initial expenditures to open your Mr Brews Restaurant, and approximately 90% of the annual ongoing expenditures to operate your Restaurant.

Currently, Mr Brews has an approved supplier for the point-of-sale system you must use in connection with your Mr Brews Restaurant. The details of the point-of-sale system requirements are further described in Item 11 and Exhibit B.

Design of Restaurant

We reserve the right to require you use the architectural or engineering firms or contractors that we approve or designate. Currently, we highly recommend, but do not require, you to use a vendor we approve or designate for design, engineering, and construction management in connection with the development of your Restaurant. Mr Brews will provide a set of the plans and specifications for an existing Restaurant.

Consideration Provided to Mr Brews or You from Suppliers

Mr Brews may negotiate purchasing arrangements with suppliers of foods, beverages, products and services for the benefit of its franchise system. Mr Brews has not established purchasing or distribution cooperatives. Mr Brews does not provide material benefits to you (for example, renewal or granting additional franchises) based upon your purchase of particular products or services or use of particular suppliers.

Mr Brews may receive income in the form of rebates, discounts, allowances or other payments or credits from designated or approved suppliers that sell foods, beverages, products or services to franchisees. These payments may range from less than 1% up to 10% or more of the total purchase price of those items. In some cases, prices charged by suppliers to affiliate-owned Restaurants may be less than prices charged to franchised Restaurants based on volume, credits, administrative costs or other factors. If Mr Brews receives any rebates or other payments from a supplier as a result of your purchases from the supplier, those payments will be the exclusive property of Mr Brews. You will not have any rights to the payments made to Mr Brews by suppliers.

In 2025, we earned $30,102.59 in revenue from required purchases by our franchisees, which was 5% of our total revenue of $573,447. The affiliated entities that own and operate the affiliate-owned Mr Brews Restaurants (see Exhibit A) did not receive any rebates in 2025 based on their product purchases.

Except as described above, you are not required to purchase or lease products or services from Mr Brews or an affiliate, and Mr Brews will not derive revenue or other material consideration based upon your purchases of products or services from designated or approved suppliers or based upon your purchases of products or services that must meet Mr Brews' standards and specifications.

9. FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement and other agreements. It will help you find more detailed information about your obligations in these agreements and in other Items of this Disclosure Document.

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Article 11 of Franchise Agreement	Item 11

	Obligation	Section in Agreement	Disclosure Document Item
b.	Pre-opening purchases/leases	Articles 9, 11 and 12 of Franchise Agreement	Items 7 and 8
c.	Site development and other pre-opening requirements	Article 11 of Franchise Agreement	Items 7 and 11
d.	Initial and ongoing training	Article 13 of Franchise Agreement	Item 11
e.	Opening	Article 13 of Franchise Agreement	Item 11
f.	Fees	Articles 2.2, 3, 4, 7.4, 13.3, 13.4 and 17.6 of Franchise Agreement; Article 4 of Area Development Agreement	Items 5 and 6
g.	Compliance with standards and policies/Operating Manual	Articles 8, 9, 10, 11 and 12, of Franchise Agreement; Article 6 of Area Development Agreement	Items 8, 11 and 14
h.	Trademarks and proprietary information	Articles 1.2, 10 and 15 of Franchise Agreement; Articles 1.1 and 2.3 of Area Development Agreement	Items 13 and 14
i.	Restrictions on products/services offered	Articles 8 and 9 of Franchise Agreement	Items 8 and 16
j.	Warranty and customer service requirements	Articles 8.1 and 8.13 of Franchise Agreement	
k.	Territorial development and sales quotas	Article 5 of Area Development Agreement	Item 12
l.	Ongoing product/service purchases	Articles 9 and 12 of Franchise Agreement	Item 8
m.	Maintenance, appearance and remodeling requirements	Articles 8.20, 8.21 and 11 of Franchise Agreement	Item 17
n.	Insurance	Article 14 of Franchise Agreement	Items 7 and 8
o.	Advertising	Articles 4, 5, 8.2, 12.4 and 12.5 of Franchise Agreement; Article 4.5 and 6.3 of Area Development Agreement	Items 6 and 11
p.	Indemnification	Article 24 of Franchise Agreement; Article 13 of Area Development Agreement	Item 6
q.	Owner's participation/ management/staffing	Articles 8.13 13.1, 13.2 and 23.2 of Franchise Agreement; Article 12.2 of Area Development Agreement	Item 15
r.	Records and reports	Articles 3.2, 5.2 and 7 of Franchise Agreement	Item 6
s.	Inspections and audits	Articles 7.3, 8.14 and 11.6 of Franchise Agreement	Items 6 and 11
t.	Transfer	Articles 17 and 21 of Franchise Agreement; Articles 7 and 10 of Area Development Agreement	Items 6 and 17
u.	Renewal	Article 2.2 of Franchise Agreement; Article 3.2 of Area Development Agreement	Item 17
v.	Post-termination obligations	Article 20 of Franchise Agreement; Article 9 of Area Development Agreement	Item 17
w.	Non-competition covenants	Article 22 of Franchise Agreement; Article 11 of Area Development Agreement	Item 17
x.	Dispute resolution	Article 25 of Franchise Agreement; Article 14 of Area Development Agreement	Item 17

10. FINANCING

Mr Brews does not offer direct or indirect financing to you. Mr Brews does not guarantee any note, lease or obligation.

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

Except as listed below, Mr Brews is not required to provide you with any assistance.

Assistance Before Opening Your Restaurant:

(1) Mr Brews does not have expertise in selecting real estate sites in the geographic area where your Restaurant will be located. Mr Brews does not approve the site for your Restaurant but will review the Site Information provided by you for the proposed site for your Restaurant. You will be responsible for selecting the location for your Restaurant (see Articles 11.1 and 11.2 of the Franchise Agreement). The Site Information for your proposed site may include information on the demographics of the market area, traffic patterns, a description of the character of the neighborhood, the competition in the area of the proposed site, the size, appearance and other characteristics of the premises of the proposed site of your Restaurant and other information requested by Mr Brews. Mr Brews will generally complete its review of the Site Information within 45 days after receipt. Mr Brews has no obligation, duty or liability to you resulting from the site selected by you for your Franchised Location or the purchase or lease of your Franchised Location.

(2) Mr Brews will review a copy of the proposed Lease for the site selected by you. Mr Brews' review of the Lease will be only to determine whether the terms of the Lease comply with the terms and conditions of the Franchise Agreement, and not to provide any business, economic, legal or real estate advice or analysis (see Article 11.1 of the Franchise Agreement). Mr Brews can terminate the Franchise Agreement if you fail to provide the Site Information and purchase or lease a site for your Restaurant within 120 days after the date of the Franchise Agreement (see Article 18.1(b) of the Franchise Agreement).

(3) Mr Brews will provide a set of the plans and specifications for an existing Restaurant which may need significant modifications, at your expense, because of the unique aspects of the site you choose for your Restaurant (see Article 11.3 of the Franchise Agreement).

(4) After you sign the Franchise Agreement, Mr Brews will train you and your Management Staff (see Article 13.1 of the Franchise Agreement and the Training section below in this Item for additional information).

(5) After you and your Management Staff have successfully completed the training program to Mr Brews' satisfaction, Mr Brews will arrange for the Opening Team to be at your Restaurant for 9 days to assist you with implementing the Mr Brews System and training your staff and kitchen employees (see Article 13.6 of the Franchise Agreement). If any Opening Team members remain at your Restaurant for more than 9 days, then within 10 days after receipt of an invoice from Mr Brews indicating the amount owed, you will pay Mr Brews the Per-Diem Training Fees and the additional Travel Expenses for the Opening Team members who remain at your Restaurant for more than the required numbers of days (see Item 6).

(6) Mr Brews will provide you with an electronic or on-line copy of the Operations Manual (see Article 10 of the Franchise Agreement). The Operations Manual is confidential and will remain the property of Mr Brews during and after the term of the Franchise Agreement. See Exhibit H for a copy of the table of contents to the Operations Manual (as well as our Training Manual). The Operations Manual contains a total of approximately 381 pages, and the Training Manual contains 378 pages.

(7) Mr Brews will provide a written schedule of all foods, food items, beverages, furniture, fixtures, supplies and equipment required for your Restaurant (see Article 16.1 of the Franchise Agreement).

(8) Mr Brews will provide a list of the designated and approved suppliers for the products and services required by Mr Brews for use or sale in your Restaurant (see Articles 9 and 16.1 of the Franchise Agreement).

(9) Mr Brews will approve the office and telecommunications equipment, and the computer hardware, peripherals and software you will use in your Restaurant (see Article 12 of the Franchise Agreement and the Computer System section below in this Item).

(10) Mr Brews will spend a minimum of $2,500 on grand opening advertising and promotion for your Restaurant commencing 7 days before the opening of the Restaurant and ending 90 days after opening date of the Restaurant (see Article 5.4 of the Franchise Agreement).

Generally, the opening of your Restaurant will take place within approximately 8 months after the date of the Franchise Agreement. Factors which will affect your opening date include selecting the location for your Restaurant, whether your Restaurant will be operated out of a converted premises or newly constructed building, obtaining the required licenses, including the liquor licenses, the delivery of your furniture, fixtures and equipment, acquiring inventory and supplies, obtaining financing (if applicable), hiring and training your employees, and completing the training program. You must obtain the written approval of Mr Brews to open your Mr Brews Restaurant. Mr Brews can terminate the Franchise Agreement if you fail to open your Restaurant within 9 months after the date of the Franchise Agreement (see Articles 18.1(r) and 31.41 of the Franchise Agreement).

Assistance During Operation of Restaurant - After the Opening of Your Restaurant:

(1) Mr Brews will provide additional training if, during the term of the Franchise Agreement, you hire a new member of your Management Staff who has not attended and successfully completed the training program or Mr Brews determines that additional training is necessary. You will pay Mr Brews the Per-Diem Training Fee for each new Management Staff member trained by Mr Brews after the opening of the Restaurant. If Mr Brews, at its option, provides the initial training program, or any portion of the initial training program, for any Management Staff member at the Franchised Location (rather than at Mr Brews' designated training location), then you will, within 10 days after receipt of an invoice indicating the amount owed, pay Mr Brews: (a) the Per Diem Training Fee for each trainer; and (b) for all Travel Expenses incurred by each trainer (see Articles 13.2, 13.3 and 13.4 of the Franchise Agreement and the Training section below in this Item).

(2) Mr Brews will make available to you basic restaurant-level sales and cost accounting and business procedures (see Article 16.1 of the Franchise Agreement).

(3) Mr Brews will make general marketing recommendations and review and approve the Local Advertising for your Restaurant (see Articles 5.2 and 16.1 of the Franchise Agreement and the Advertising section below in this Item).

(4) Mr Brews will establish a Marketing Fund administered and controlled by Mr Brews. You will contribute 1% of your weekly Revenues to the Marketing Fund (see Article 4 of the Franchise Agreement, Item 6, and the Advertising section below in this Item).

(5) Mr Brews will periodically visit and review your Restaurant and provide written reports to you if deemed appropriate by Mr Brews (see Article 16.1 of the Franchise Agreement).

(6) Mr Brews will legally protect the Marks and the Mr Brews System (see Article 15 of the Franchise Agreement).

(7) Mr Brews may develop and register new Marks (see Articles 15 and 16.1 of the Franchise Agreement).

(8) Mr Brews will provide advisory services by telephone or in writing (see Article 16.1 of the Franchise Agreement).

(9) Mr Brews will furnish a sample Mr Brews Taphouse® menu and modifications to the sample menu (see Article 16.1 of the Franchise Agreement).

(10) Mr Brews will provide the names and addresses of newly approved and designated suppliers for the Foods, Beverages and Products required by Mr Brews to be used or sold in your Restaurant (see Articles 9 and 16.1 of the Franchise Agreement).

(11) Mr Brews will provide to you in writing or electronically all supplements and updates to the Operations Manual (see Articles 10 and 16.1 of the Franchise Agreement).

(12) If requested, Mr Brews will send a consultant to train, assist and advise you on management and operations issues at the Franchised Location (see Article 16.2 of the Franchise Agreement). You will reimburse Mr Brews for its Travel Expenses and pay the Per-Diem Training Fee for such consulting assistance (see Item 6).

Advertising

You will contribute 1% of your weekly Revenues to the Marketing Fund administered and controlled by Mr Brews (see Article 4 of the Franchise Agreement and Item 6). Mr Brews will determine when, how and where the payments deposited into the Marketing Fund will be spent. Permitted expenditures from the Fund include payments for local, regional or national print advertising, radio and television commercials, telemarketing, direct mail advertising, Internet, social media and other electronic promotions and advertising services provided by an in-house advertising department and local, regional or national advertising agencies. All administrative and other costs associated with or incurred in the administration of the Marketing Fund, including marketing and administrative personnel salaries, fringe benefits and Travel Expenses, long-distance telephone charges, office rental, FF&E, leasehold improvements, collection costs (including attorneys' fees paid in collecting past-due Marketing Fund Fees) and office supplies will be paid from the Marketing Fund. Except for possible incidental Mr Brews Website costs, the monies in the Marketing Fund will not be spent for the solicitation of prospective franchisees.

Mr Brews does not have to spend the monies in the Marketing Fund for local, regional or national media coverage using any particular media or in any particular market. Mr Brews does not have to spend the Marketing Fund Fees in your market area in proportion to the Marketing Fund Fees paid by you. Mr Brews does not have to spend the funds in the Marketing Fund in the calendar year in which the payments were made. Payments to the Marketing Fund not spent in the calendar year in which they were paid and the interest accrued will remain in the Marketing Fund. The Marketing Fund is not audited. A summary showing the income to and the expenditures from the Marketing Fund during each calendar year will be prepared by Mr Brews each year for the preceding year, and copies of the summary will, upon written request, be provided to you on a confidential basis no more than once a year.

The Marketing Fund will be administered and controlled by Mr Brews and governed by the terms of the Franchise Agreement. All franchised and affiliate-owned Mr Brews Restaurants will deposit 1% of their weekly Revenues into the Marketing Fund. During 2025, the following expenditures were made from the Marketing Fund:

Production Costs	10%
Media Placement Costs	75%
Administrative Costs and Expenses	10%
Other	5%
Total	100%

Mr Brews will spend at least $2,500 on grand opening advertising for your Restaurant commencing 7 days before and ending 90 days after the opening of your Restaurant. This amount will be spent by Mr Brews in your Restaurant's market area to promote the opening of the Restaurant, and is included in the Initial Fee paid by you when you sign the Franchise Agreement.

Mr Brews has an advisory council (the "Franchisee Advisory Council") composed of four franchisees that advises Mr Brews on advertising and other policies. This council meets biannually and serves in an advisory capacity only. The members are selected by Mr Brews. Mr Brews may form, change, or dissolve the council at any time.

You must spend at least $2,500 on approved Local Advertising each calendar year (see Article 5.2 of the Franchise Agreement). If you fail to meet this minimum requirement, you will deposit with Mr Brews the difference between what you should have spent and what you actually spent, and this amount will be spent by Mr Brews on advertising in your market area. You will not conduct Local Advertising for your Restaurant until Mr Brews has approved your advertising and promotion concepts, materials and media. Advertising, marketing and promotional materials included in the Operations Manual or otherwise furnished to you by Mr Brews have been approved by Mr Brews. You will not establish a website or home page for your Restaurant.

When there are two or more Mr Brews Restaurants in your DMA, you may be required to participate in cooperative advertising with the other Restaurants in your DMA and contribute Local Advertising Fees equal to 1% of your weekly Revenues for the preceding week to a Local Advertising Association. The Local Advertising Fees paid by you to the LAA will be applied to the Local Advertising requirement discussed in the preceding paragraph. The LAA will be governed and organized by the terms of the Franchise Agreement and administered by the "Members" of the LAA (see Article 5.3 of the Franchise Agreement). The Members of the LAA will include the franchised Mr Brews Restaurants and the Restaurants owned and operated by Mr Brews or an affiliate in the DMA. If the cost of the Production and Marketing approved by the

Members exceeds the amount of funds available to the LAA, then the Local Advertising Fee payable by Franchisee and all other Members to the LAA may be increased by vote of a majority of the Members present at a duly convened meeting. Franchisee will contribute the amount of the Local Advertising Fee agreed to by the Members to the LAA in accordance with this provision. Each Member will have one vote for each Restaurant owned by it in the DMA. Mr Brews can form, merge, dissolve or change the LAA.

The LAA will conduct advertising, promotion, marketing and public relations for the benefit of the Restaurants located in the DMA. The LAA will not conduct any advertising, promotion, marketing or public relations program or campaign for the Restaurants in the DMA until Mr Brews has given the LAA written approval for all proposed concepts, materials or media. The LAA will provide a written summary of the Members' contributions to the LAA and an accurate accounting of the LAA's expenditures for approved local advertising and promotion to Mr Brews and its Members within 20 days after the end of each calendar quarter.

Computer System

The Computers and Software used in your Restaurant must meet the standards, specifications and requirements established by Mr Brews in the Operations Manual or otherwise in writing. Mr Brews will require, recommend or approve the office, telecommunications and other equipment, and the computer hardware, computer software, peripheral devices and point-of-sale, cash register and operating systems you use in your Mr Brews Restaurant. The Computers and Software for your Restaurant must perform the functions required by Mr Brews (see Article 12 of the Franchise Agreement). These functions include serving as your point-of-sale cash register and maintaining certain sales, financial, marketing, management and other business information for your Restaurant. Your Computers and Software will be configured to provide Mr Brews with direct electronic access to your Computers and Software, and databases to upload the data, financial information and other information you are required to provide to Mr Brews, including the daily Revenues of your Restaurant, and by category, direct labor costs and food costs.

The current minimum requirements for your Computers and Software are disclosed in Exhibit B attached to the Disclosure Document. The initial cost for your Computers and Software is estimated to range from $10,000 to $15,000 (see Item 7). Neither Mr Brews nor an affiliate will supply, maintain, repair or update your Computers and Software. Office, fax and telecommunications equipment, computer hardware and peripherals, third party maintenance agreements, and computer software and operating systems are all available through commercial office and telecommunications equipment, and computer hardware and software vendors.

You will need to maintain, repair, and upon receipt of written notice from Mr Brews, upgrade or update the Computers and Software for your Restaurant during the term of the Franchise Agreement. Mr Brews estimates that the cost of your obligation to maintain, update or upgrade the Computers and Software for your Restaurant will generally range from $2,000 to $2,500 per year. Your usage of the Toast platform will incur fees ranging from $400 to $600 per month. The costs you incur depend on the extra Toast platform features you may elect but are not required to use. There is no contractual limitation on the frequency and the cost of this obligation. Mr Brews will have independent access to the information and data collected and generated by your point-of-sale computer system.

To the extent that you collect information from customers and potential customers in connection with the Restaurant ("Customer Data"), we will have the right to control the use of the Customer Data. You will only use the Customer Data as a processor as necessary to operate the Restaurant while the Franchise Agreement is in effect, unless you obtain our prior written approval. You will only use the customer data in connection with operating the Restaurant and only in accordance with the policies that we establish from time to time (which may include, without limitation, limitations or restrictions on the types of data that you may collect and/or use). You also must provide the Customer Data to us at any time that we request you to do so. You may not sell, transfer, sublicense or otherwise share Customer Data to or with any third party for any purpose other than operating the Restaurant, unless you obtain our prior written approval. You must provide us with the usernames and passwords to access the Computers and Software. In addition, you must comply with any data protection and breach response policies we periodically may establish and must not use or disclose Customer Data in a manner that would cause us to be in violation of our published privacy policy.

We have the right to specify from time to time in the Manuals or otherwise communicate to you in writing or through electronic or other formats, the information, including Customer Data, that you must collect and maintain on the Computers and Software. We and you are each independent data controllers of, or, if applicable, a business in relation to, the personal data or information relating to the other party's (meaning our or your) employees, contractors and/or executives it collects and processes and we and you will comply with all applicable laws and regulations in relation to the same. You and we will enter into a separate data sharing agreement or processing agreement to the extent and as required by applicable law.

Training

Mr Brews will train you and your Management Staff (see Article 13.1 of the Franchise Agreement). All courses will be taught as often as Mr Brews deems necessary, and will be held at a Mr Brews Restaurant in or near Menomonee Falls, Wisconsin or at another location designated by Mr Brews (see the training chart below in this Item). The Training Program for you and your Management Staff will be for a minimum of 15 days (which need not be consecutive). The Training Program will include instruction on the topics selected by Mr Brews. The instructional materials for the Training Program will include the Operations Manual and other written, electronic or on-line materials.

The following chart summarizes Mr Brews' current initial Training Program:

TRAINING PROGRAM

Subject	**Hours of Classroom Training** (2)	**Hours of On-the-Job Training**	**Location** (1)
All on site Supervising Owners, Operators, General Managers or managers	20	120	Mr Brews Restaurant in or near Menomonee Falls, Wisconsin

Footnotes:

(1) Mr Brews can designate another location for the Training Program.

(2) This training is included in the opening assistance provided by the Opening Team at your Restaurant (see above in this Item).

The Training Program will be conducted under the supervision and with the participation of Mark Leach, who has worked with Mr Brews since 2019 in various roles and is currently our President of Franchise Development and Chief Operating Officer. He has worked in restaurant operations for over 25 years. All training will be conducted by instructors who have at least one year of experience with Mr Brews Restaurants or in restaurant operations.

The Training Program described in the above chart is provided to you and your Management Staff at no additional cost to you. However, you must pay the Salaries and Benefits, Travel Expenses and all other expenses for all persons who attend training on your behalf. You and your Management Staff must successfully complete the Training Program to Mr Brews' satisfaction at least 30 days before you open your Restaurant.

Mr Brews will provide additional training if, during the term of the Franchise Agreement, you hire a new member of your Management Staff who has not attended and successfully completed the required training, or Mr Brews in its discretion determines that additional training is necessary. The additional training provided by Mr Brews will be conducted at the Restaurant in or near Menomonee Falls, Wisconsin, at another location designated by Mr Brews or at your Restaurant, at the discretion of Mr Brews. You must pay Mr Brews the then-current Per-Diem Training Fee and reimburse Mr Brews for the Travel Expenses it incurs in providing the training. You must also pay the Salaries and Benefits, Travel Expenses and all other expenses for each new Management Staff member who attends training on your behalf (see Article 14 of the Franchise Agreement).

If you enter into an Area Development Agreement, Mr Brews' obligations to you will be as disclosed above in this Item for each Restaurant you develop under the Area Development Agreement.

12. TERRITORY

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets owned by Mr Brews, or from other channels of distribution or competitive brands Mr Brews controls.

If you sign a Franchise Agreement, you will operate your Restaurant at a single Franchised Location within a protected area ("Designated Area"). Your Designated Area will be defined in the Addendum to the Franchise Agreement as the area with a specified radius of the Franchised Location. Your Designated Area will contain a population based upon the 2010 U.S. census of approximately 25,000. You are not restricted from soliciting or accepting orders outside your Designated Area; however, you must obtain our approval to do so. Further, you may not sell any of the products or services offered in connection with your Restaurant on a wholesale basis, at any location other than your Franchised Location, or through the Internet, catalog, mail order, telemarketing or any other method of sales or distribution. The continuation of your Designated Area is not dependent upon your achieving a certain sales volume, market penetration or any other contingency. The Franchise Agreement does not grant any options, rights of first refusal or similar rights to you for the acquisition of additional franchises within your Designated Area or contiguous areas.

The site of your Franchised Location and consequently, your Designated Area may not be altered or relocated during the term of the Franchise Agreement, except with the prior written approval of Mr Brews. With Mr Brews' prior written approval, you may relocate your Restaurant

to another location in your Designated Area if: (1) your new location does not infringe upon and is not located within the market area of any existing or proposed Mr Brews Restaurant; (2) your new location does not infringe on or is not located within any Designated Area granted to any other franchisee or area developer of Mr Brews; and (3) you pay Mr Brews a Relocation Fee of $5,000.

If you enter into an Area Development Agreement with Mr Brews, you will receive the right to develop and operate Mr Brews Restaurants in a specified geographic area called a "Territory." The Territory typically consists of one or more cities or market areas and will be delineated by specifying the streets or highways, or the county lines that form the boundaries of the Territory. Before you sign the Area Development Agreement, a description of the Territory will be included in the Area Development Agreement and a map of the Territory may also be attached. The size of the Territory and the number of the Restaurants you will develop within the Territory are determined by the population of the Territory and its market potential, taking into account demographics, economic conditions, business climate, competition, your financial resources and other relevant factors. Your Territory may not be altered or relocated during the term of the Area Development Agreement. You must meet the Development Schedule in the Area Development Agreement or you will lose your right to continue to develop Mr Brews Restaurants in the Territory. Otherwise, the continuation of your Territory is not dependent upon your achieving a certain sales volume, market penetration or any other contingency. The Area Development Agreement does not grant any options, rights of first refusal or similar rights to you for the acquisition of additional development rights in your Territory or contiguous areas during or after the expiration of the term of the Area Development Agreement.

Mr Brews will not franchise, license, develop, own or operate another Restaurant in your Designated Area if you sign a Franchise Agreement, or in your Territory if you sign an Area Development Agreement. However, your territorial rights in your Designated Area or your Territory will not be exclusive. You may face competition from other Mr Brews franchisees, from restaurants owned by Mr Brews or an affiliate, or from other channels of distribution or competitive brands controlled by Mr Brews or an affiliate of Mr Brews. Mr Brews has the absolute right to: (1) develop other restaurant business concepts under other brand names if they are not Competitive Restaurants, even if the locations for the concept are within your Designated Area or Territory; (2) develop Mr Brews Restaurants or Competitive Restaurants in your Designated Area or Territory if they are located at or within a college or university campus, a military facility, a regional or international airport, a theme or entertainment park, an interstate service plaza, or a stadium or arena used for sporting events; (3) market, distribute and sell, on a wholesale or retail basis, packaged food products and other goods under any of the Marks, by direct sale, the Internet, mail order, infomercials, telemarketing or by any other marketing or distribution method, even if the sales are made to customers, distributors or retailers who are located in your Designated Area or Territory; and (4) own, operate, manage, franchise and/or license other individuals or entities to own, manage and/or operate Competitive Restaurants in your Designated Area or Territory if Mr Brews or an affiliate of Mr Brews derived its ownership interests or other rights to such restaurants after the date of your Franchise Agreement or Area Development Agreement as part of an acquisition or purchase of a majority of the ownership interests in, or substantially all of the assets of, another entity. Mr Brews does not have to pay you if it exercises any of the rights specified above in your Designated Area or Territory.

13. TRADEMARKS

Under the Franchise Agreement, Mr Brews licenses you to operate your Restaurant under the name "Mr Brews Taphouse®" and to use certain other current and future Marks. You may only

use the Marks in the manner authorized in writing by Mr Brews. You may not use any of the Marks as part of your corporate or other entity name. You must also follow the instructions of Mr Brews for identifying yourself and for filing and maintaining the requisite trade name or fictitious name registrations.

The following Marks are registered with the United States Patent and Trademark Office ("USPTO"):

Mark	Registration No.	Registration Date	Register	Class
MR BREWS TAPHOUSE	4,763,272	June 30, 2015	Principal	43
MR BREWS TAPHOUSE	5,110,762	December 27, 2016	Principal	35
MR BREWS TAPHOUSE ALL AMERICAN BURGERS 	4,844,450	November 3, 2015	Principal	43

Affidavits for the Marks will be filed with the USPTO as required to maintain the federal trademark and service mark registrations.

The Marks are not registered in any state. The Marks are owned by Mr Brews Taphouse Holdings, LLC, an affiliate of Mr Brews (see Item 1). On September 28, 2015, Mr Brews Taphouse Holdings, LLC entered into a trademark license agreement with Mr Brews licensing the use of the Marks to Mr Brews (the "License Agreement"). Under the License Agreement, Mr Brews Taphouse Holdings, LLC granted Mr Brews the exclusive right to use and license the Marks for the purpose of franchising Mr Brews Restaurants. The term of the License Agreement is indefinite, contains no material restrictions, cannot be modified or terminated except by the mutual agreement of the parties or by Mr Brews Taphouse Holdings, LLC upon Mr Brews' failure to timely cure a material breach and, unless terminated sooner by either party, will remain in force for at least as long as any Franchise Agreement is in effect. If the License Agreement is terminated, Mr Brews Taphouse Holdings, LLC will permit you to use the Marks under the same terms and conditions as in your Franchise Agreement. Other than the License Agreement, there are no agreements currently in effect which significantly limit Mr Brews' rights to use or license the use of the Marks.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator in any state or any court, no pending infringement or opposition proceeding, and no pending material litigation involving the Marks. To the knowledge of Mr Brews, there are no infringing uses which could materially affect your use of the Marks or other related rights in any state.

You must provide Mr Brews with written notice of any claims made against or associated with the Marks. Mr Brews is obligated under the Franchise Agreement to protect your right to use the Marks and other related rights and to defend and to protect and/or indemnify you against claims of infringement and unfair competition because of your use of the Marks, and will control any proceedings or litigation involving the Marks. However, if anyone establishes to the satisfaction of Mr Brews that its rights are, for any legal reason, superior to the rights of Mr Brews as to any of the Marks, then you must use the variances or other service marks, trademarks or trade names required by Mr Brews.

14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Mr Brews does not own any patents or have any pending patent applications. Mr Brews intends to copyright advertising copy and design, menu designs, training materials, the Operations Manual, and other written materials and items may be developed in the future. Mr Brews has not applied to the U.S. Copyright Office to register these copyrights.

You must keep confidential the Operations Manual, any supplements to the Operations Manual, and any other manuals or written, electronic or on-line materials used in your Mr Brews Restaurant. The Operations Manual contains information about the Mr Brews System and recipes and cooking techniques developed by Mr Brews. Mr Brews considers this information a trade secret and extremely confidential. You must use all reasonable means to keep this information confidential and to prevent any unauthorized duplication or reproduction of this information.

You should immediately inform Mr Brews if you learn of any unauthorized use or infringement of, or challenge to, the copyrighted materials or any of the trade secret, proprietary or confidential information. Mr Brews will take the action it deems appropriate, in its sole discretion. If anyone establishes to the satisfaction of Mr Brews that its rights to the materials are superior, then you must modify or discontinue your use of the materials as required by Mr Brews.

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

Mr Brews recommends that you personally participate in the direct operation of your Restaurant, although you are not required to do so. Your General Manager must successfully complete Mr Brews' training program before he/she will be allowed to participate in the operation of your Restaurant. Your General Manager is not required to have an ownership interest in the entity entering into the Franchise Agreement or Area Development Agreement with Mr Brews. However, your General Manager must sign a confidentiality and noncompetition agreement in a form that is satisfactory to Mr Brews.

If the party entering into the Franchise Agreement or Area Development Agreement with Mr Brews is an entity, then the entity's owners must agree that during the term of the agreement, they will not participate in any Competitive Restaurant, and that for 24 months after the expiration or termination of the agreement, they will not participate in any Competitive Restaurant located within 10 miles of your Mr Brews Restaurant, any other Mr Brews Restaurant, or any protected area granted by Mr Brews. The owners of the entity must sign the applicable agreement and the personal guaranty attached to the agreement.

16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may only sell the Foods, Beverages and Products specified or approved by Mr Brews in writing. Selling Foods, Beverages and Products that have not been specified or approved by Mr Brews is a material breach of the Franchise Agreement and, if not cured, is grounds for the termination of the Franchise Agreement. You must sell the Foods, Beverages and Products required by Mr Brews. Mr Brews can change the Foods, Beverages and Products that you must offer at your Restaurant. There is no limitation on the right of Mr Brews to change the Foods, Beverages and Products offered by Mr Brews Restaurants.

You are not limited to whom you may sell your Foods, Beverages and Products, but you may not sell any of the Foods, Beverages or Products offered in connection with your Restaurant on a wholesale basis, at any location other than your Restaurant, or through Internet, catalogue, mail order, telemarketing, or any other method of sales or distribution. Mr Brews does not impose any restrictions or conditions that limit your access to customers, except that you may offer catering and delivery services only with the prior written approval of Mr Brews and according to Mr Brews' standards and specifications.

17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

	Provision	Article in Franchise Agreement	Summary
a.	Length of the franchise term	2.1	10 years.
b.	Renewal or extension of the term	2.2	Right to reacquire the Franchise for the Restaurant for two additional 5-year terms.
c.	Requirements for franchisee to renew or extend	2.2	You must: give 180 days notice; have complied with all material terms and conditions of your current Franchise Agreement; have paid all monetary obligations owed to Mr Brews during the term of the Franchise Agreement; agree in writing to remodel your Franchised Location; have the right to continue to occupy the Franchised Location; sign a joint and mutual release between you and Mr Brews (see Exhibit F); sign the then-current standard Franchise Agreement; pay the Reacquisition Fee; and you and your employees must complete the required training. If you reacquire the Franchise at the end of the term of the Franchise Agreement, you will sign a new Franchise Agreement with materially different terms and conditions than your original Franchise Agreement.
d.	Termination by franchisee	19.1	If Mr Brews violates any material provision, term or condition of the Franchise Agreement, or fails to timely pay any material uncontested obligation due or owing to you.

	Provision	Article in Franchise Agreement	Summary
e.	Termination by franchisor without cause	Not applicable	
f.	Termination by franchisor with cause	18.1	If you breach the Franchise Agreement.
g.	"Cause" defined – curable defaults	18.1	You will have 30 days to cure if you: provide false, misleading, incomplete or inaccurate information; fail to obtain the site for the Franchised Location within 120 days; fail to obtain valid food service and liquor licenses within 10 days before the Required Opening Date; fail to complete the training program within 30 days before the Required Opening Date; violate a law or regulation applicable to your Restaurant's operations; violate any material provision of the Franchise Agreement; are convicted of or plead guilty or no contest to any law adversely affecting your Mr Brews Restaurant; fail to pay any Fees or expenses due to Mr Brews or third parties; are deemed to be insolvent; make an assignment for the benefit of creditors; issue any check which is dishonored; abandon the Restaurant; materially impair the goodwill of the Marks or the Mr Brews System; lose possession of the Franchised Location; lose your food service license or liquor license; fail to provide, or permit Mr Brews to audit, your financial records; fail to open your Restaurant by the Required Opening Date; or breach any other agreement with Mr Brews. You have 15 days to cure a failure to pay any Fees due to Mr Brews.
h.	"Cause" defined – non-curable defaults	18.4	Mr Brews has the right (subject to state law) to terminate the Franchise Agreement immediately upon receipt of notice if you: are convicted of or plead guilty or no contest to any law adversely affecting your Mr Brews Restaurant; are deemed insolvent; make an assignment for the benefit of creditors; abandon the Restaurant; fail to provide, or permit Mr Brews to audit, your financial records; materially impair the goodwill of the Marks or the Mr Brews System, subject to 24-hour cure period; violate any material provision three or more times during a 12-month period; or fail to open your Restaurant by the Required Opening Date.
i.	Franchisee's obligations on termination/nonrenewal	20	You must: pay what you owe under the Franchise Agreement within 5 days after termination; immediately return all printed Mr Brews materials; cease using the Marks and the Mr Brews System; alter the appearance of the Franchised Location; and transfer your telephone directory listings to Mr Brews.
j.	Assignment of the contract by franchisor	17.1	No restrictions on the right of Mr Brews to assign the Franchise Agreement; the assignee must fully perform all obligations of Mr Brews under the Franchise Agreement.
k.	"Transfer" by franchisee – defined	17.2, 17.3, 17.4	Includes the sale of ownership in the Franchisee and the assignment of rights under the Franchise Agreement.

	Provision	Article in Franchise Agreement	Summary
l.	Franchisor approval of transfer by franchisee	17.3	Mr Brews has the right to approve any assignment made by you, but will not unreasonably withhold its consent. Mr. Brews may reasonably withhold its consent if the assignment would result in the transferee-franchisee directly or indirectly owning more than 7 Restaurants including the Restaurant being transferred.
m.	Conditions for franchisor approval of a transfer	17.3, 17.6	You must: provide Mr Brews with 45 days written notice of the assignment; pay all money owed to Mr Brews; agree in writing to observe all applicable provisions of the Franchise Agreement; sign a joint and mutual release between you and Mr Brews (see Exhibit F); and pay the Assignment Fee. The assignee must: meet the standards established by Mr Brews for new franchisees; sign the legal agreements required by Mr Brews; acquire the right to occupy the Franchised Location; acquire a valid food service and liquor license; and successfully complete training.
n.	Franchisor's right of first refusal to acquire franchisee's business	21	You must offer the Major Assets to Mr Brews if you receive a bona fide offer to purchase.
o.	Franchisor's option to purchase franchisee's business	21	Mr Brews has the option to purchase at the price and terms stated in the third-party offer.
p.	Death or disability of franchisee	17.2	If you are an individual, the Franchise Agreement may be transferred upon your death or disability, subject to the requirements described in "m" above.
q.	Noncompetition covenants during the term of the franchise	22.2	You may not participate in any Competitive Restaurant.
r.	Noncompetition covenants after the franchise is terminated or expires	22.3	For 24 months after termination, you may not participate in any Competitive Restaurant that is within 5 miles of the Franchised Location or any other Mr Brews Restaurant, or within any protected area granted by Mr Brews.
s.	Modification of the agreement	26.9	Only by written agreement between you and Mr Brews.
t.	Integration/merger clause	26.10	The Franchise Agreement constitutes the entire and complete agreement between you and Mr Brews. Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of this Disclosure Document and the Franchise Agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	25	Except for certain claims, all disputes must be submitted to mediation.
v.	Choice of forum	25.3, 26.5	State where Mr Brews' headquarters are located (see attached Addendum for state law modifications).
w.	Choice of law	30	State where the Restaurant is located (see attached Addendum for state law modifications).

	Provision	Article in Area Development Agreement	Summary
a.	Length of agreement term	3.1	To be determined by you and Mr Brews.
b.	Renewal or extension of the term	3.2	For one year after expiration of the Area Development Agreement, you have a right of first refusal to develop additional Restaurants in the Territory.
c.	Requirements for area developer to renew or extend	3.2	You have 30 days after receipt of the written offer from Mr Brews to accept the offer to further develop the Territory. The written offer will have materially different terms and conditions than your original Area Development Agreement.
d.	Termination by area developer	Not applicable	You may terminate the Area Development Agreement on any grounds available by applicable law.
e.	Termination by franchisor without cause	Not applicable	
f.	Termination by franchisor with cause	8.1	If you breach the Area Development Agreement.
g.	"Cause" defined – curable defaults	8.1	You will have 30 days to cure if you: fail to comply with the Development Schedule in the Area Development Agreement; abandon any of your Restaurants; violate a law or regulation applicable to your Restaurants' operations; violate any material provision of the Area Development Agreement; are convicted of or plead guilty or no contest to any law adversely affecting your Mr Brews Restaurants; fail to pay any Fees or expenses due to Mr Brews or third parties; are deemed to be insolvent; make an assignment for the benefit of creditors; issue any check which is dishonored for insufficient funds; materially impair the goodwill of the Marks or the Mr Brews System; breach any other agreement with Mr Brews; or a Franchise Agreement between you and Mr Brews is terminated for any reason. You have 15 days to cure a failure to pay any Fees due to Mr Brews.
h.	"Cause" defined – non-curable defaults	8.4	Mr Brews has the right (subject to state law) to terminate the Area Development Agreement immediately upon receipt of notice if you: fail to comply with the Development Schedule in the Area Development Agreement; abandon any of your Restaurants; are convicted of or plead guilty or no contest to any law adversely affecting your Mr Brews Restaurants; are deemed insolvent; make an assignment for the benefit of creditors; materially impair the goodwill of the Marks or the Mr Brews System; or a Franchise Agreement between you and Mr Brews is terminated for any reason.
i.	Area developer's obligations on termination/nonrenewal	9	Your rights under the Area Development Agreement revert to Mr Brews; and you must continue to operate the Restaurants you opened before termination of the Area Development Agreement.
j.	Assignment of the contract by franchisor	7.1	No restrictions on the right of Mr Brews to assign the Area Development Agreement.

	Provision	Article in Area Development Agreement	Summary
k.	"Transfer" by area developer – definition	7.3, 7.4	Includes the sale of ownership in the Area Developer and the assignment of rights under the Area Development Agreement.
l.	Franchisor approval of transfer by area developer	7.3	Mr Brews has the right to approve any assignment made by you, but will not unreasonably withhold its consent. Mr. Brews may reasonably withhold its consent if the assignment would result in the transferee-area developer directly or indirectly owning more than 7 Restaurants including the Restaurant being transferred.
m.	Conditions for franchisor approval of transfer	7.3, 7.6	You must: provide Mr Brews with 45 days written notice of the assignment; pay all money owed to Mr Brews; agree to observe all applicable provisions of the Area Development Agreement; sign a joint and mutual release between you and Mr Brews (see Exhibit F); and pay the Assignment Fee. The assignee must meet the standards established by Mr Brews for area developers; sign the legal agreements required by Mr Brews; and successfully complete training.
n.	Franchisor's right of first refusal to acquire area developer's business	10	You must offer the Major Assets to Mr Brews if you receive a bona fide offer to purchase.
o.	Franchisor's option to purchase area developer's business	10	Mr Brews has the option to purchase at the price and terms stated in the third-party offer.
p.	Death or disability of area developer	7.2	If you are an individual, the Area Development Agreement may be transferred upon your death or disability, subject to the requirements described in "m" above.
q.	Noncompetition covenants during the term of the franchise	11.2	You may not participate in any Competitive Restaurant.
r.	Noncompetition covenants after the franchise is terminated or expires	11.3	For 24 months after termination, you may not participate in any Competitive Restaurant that is within the Territory, 5 miles of the Territory, 5 miles of any other Mr Brews Restaurant, or any other protected area granted by Mr Brews.
s.	Modification of the agreement	15.9	Only by written agreement between you and Mr Brews.
t.	Integration/merger clause	15.10	The Area Development Agreement constitutes the entire and complete agreement between you and Mr Brews. Only the terms of the Area Development Agreement are binding (subject to state law). Any representations or promises outside of this Disclosure Document and the Area Development Agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	14	Except for certain claims, all disputes must be submitted to mediation.
v.	Choice of forum	14.3, 15.5	State where Mr Brews' headquarters are located (see attached Addendum for state law modifications).
w.	Choice of law	19	State in which your Designated Area is located (see attached Addendum for state law modifications).

Applicable state law might require additional disclosures related to the information contained in this Item. These additional disclosures appear in the Addendum attached to this Disclosure Document.

18. PUBLIC FIGURES

Mr Brews does not use any public figure to promote its franchise. No public figure is involved in the management of Mr Brews.

19. FINANCIAL PERFORMANCE REPRESENTATIONS

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

The net sales information disclosed in this Item was obtained from the one affiliate-owned and eight franchised Mr Brews Restaurants that were in operation for the entire 2025 calendar year.

The analysis in this Item was prepared using the net sales generated by these Restaurants during 2025, and then calculating the arithmetic mean (average) and median net sales. The affiliate-owned Restaurant is located in Wisconsin and is operating on leased premises in an in-line space. Four franchised Restaurants are located in Wisconsin, two franchised Restaurants are located in Arizona and Tennessee, respectively, and one franchised Restaurant is located in Arkansas and Kentucky, respectively. All eight franchised Restaurants are operating on leased premises in in-line or strip centers, or in other similar multi-tenant properties.

Two of the eight franchised Restaurants included in this Item 19 were initially affiliate-owned Restaurants, and they were acquired by franchisees from affiliates of Mr Brews.

All Restaurants in the chart below are considered standard Restaurants, and they operate under the Mr Brews System and the Marks. We are not aware of any material differences between the affiliate-owned and franchised Restaurants in the chart below and the franchises being offered in this Disclosure Document.

Mr Brews' auditors have not performed any review of the financial information disclosed below in this Item.

Sales performance will vary from restaurant to restaurant. In particular, the sales of your Mr Brews Restaurant will be directly affected by the Restaurant's geographic location, competition in the market, presence of other Mr Brews Restaurants in the market area, the quality of both the management and service at the Restaurant, and contractual relationships with lessors and vendors.

The following table displays the high, low, average, and median gross sales generated during 2025 by one affiliate-owned Mr Brews Restaurant located in Wisconsin, and eight franchised Mr Brews Restaurants located in Arizona, Kentucky, Tennessee and Wisconsin, that have been in

operation for at least one year as of December 31, 2025. This table excludes one franchised Mr Brews Restaurant located in Arkansas and one franchised Mr Brews Restaurant located in Tennessee because those Restaurants were not open for at least one year as of December 31, 2025. This table also excludes the two affiliate-owned Restaurants and two franchised Restaurants that closed in 2025.

Net Sales (Unaudited) Generated During 2025

Type of Restaurant	Number of Restaurants Included	Range of Net Sales During 2025		Average Net Sales During 2025	Number and % of Restaurants Above/Below Average	Median Net Sales During 2025
		High	Low			
Affiliate-Owned	1	$964,527				
Franchised	8	$1,497,366	$672,331	$1,066,589	4/4 50%/50%	$1,047,115

Some Mr Brews Restaurants have achieved these net sales amounts. Your individual results may differ. There is no assurance you will sell as much.

The information in the chart above reflects historical data for affiliate-owned and franchised Restaurants, and is not a forecast of future financial performance or projection. A new franchisee's financial performance is likely to differ from the results described in this Item. Actual results vary from restaurant to restaurant, and Mr Brews cannot estimate the results of a particular franchised restaurant. Mr Brews recommends that prospective franchisees make their own independent investigation to determine whether the business may be profitable, and consult with an attorney, accountant and other advisors before executing the Franchise Agreement or the Area Development Agreement.

No cost or expense information is referenced in this Item 19. Your Restaurant will incur costs and expenses, some of which will be payable to Mr Brews. See Items 5, 6 and 7. You should estimate your costs and expenses in consultation with a professional advisor.

Written substantiation of the data used in preparing the financial performance representations described above will be made available to you upon reasonable request.

Other than the preceding financial performance representations, Mr Brews does not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. Mr Brews also does not authorize our employees or representatives to make such representations either orally or in writing. If you are purchasing an existing outlet, however, Mr Brews 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 Mr Brews' management by contacting Steven Day, Mr Brews Taphouse International, LLC, N9059 Riverview Road, Birnamwood, WI 54414; (608)556-1775, the Federal Trade Commission and the appropriate state regulatory agencies.

20. OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1

Systemwide Outlet Summary
For Fiscal Years 2023/2024/2025

Outlet Type	Year	Outlets at Start of Year	Outlets at End of Year	Net Change
Franchised	2023	11	10	-1
	2024	10	10	0
	2025	10	10	0
Company-Owned (1)	2023	2	2	0
	2024	2	3	+1
	2025	3	1	-2
Total Outlets	**2023**	**13**	**12**	**-1**
	2024	**12**	**13**	**+1**
	2025	**13**	**11**	**-2**

Footnote:

(1) Owned and operated by affiliates of Mr Brews (see Item 1).

TABLE NO. 2

Transfers of Outlets from Franchisees to New Owners
(other than Mr Brews or an Affiliate)
For Fiscal Years 2023/2024/2025

State	Year	Number of Transfers
Wisconsin	2023	1
	2024	0
	2025	0
Totals	**2023**	**1**
	2024	**0**
	2025	**0**

TABLE NO. 3

Status of Franchised Outlets
For Fiscal Years 2023/2024/2025

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
Arizona	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	2
	2025	2	0	0	0	0	0	2
Arkansas	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Florida	2023	1	1	1	0	0	0	1
	2024	1	0	0	0	0	1	0
	2025	0	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
Kansas	2023	1	0	0	0	0	1	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	1	0
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
Tennessee	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	1	0	0	0	0	2
Wisconsin	2023	7	1	0	0	0	1	7
	2024	7	1	1	1	1	0	5
	2025	5	0	0	1	0	0	4
Totals	**2023**	**11**	**2**	**1**	**0**	**0**	**2**	**10**
	2024	**10**	**4**	**1**	**1**	**1**	**1**	**10**
	2025	**10**	**2**	**0**	**1**	**0**	**1**	**10**

TABLE NO. 4

Status of Company-Owned Outlets For Fiscal Years 2023/2024/2025

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Wisconsin (1)	2023	2	0	0	0	0	2
	2024	2	0	1	0	0	3
	2025	3	0	0	2	0	1
Totals	**2023**	**2**	**0**	**0**	**0**	**0**	**2**
	2024	**2**	**0**	**1**	**0**	**0**	**3**
	2025	**3**	**0**	**0**	**2**	**0**	**1**

Footnote:

(1) Owned and operated by affiliates of Mr Brews (see Item 1).

TABLE NO. 5

Projected Openings as of December 31, 2025

State	Franchise Agreements Signed But Outlets Not Opened (1)	Projected New Franchised Outlets in Next Fiscal Year (2)	Projected New Company-Owned Outlets in Next Fiscal Year (2)
Wisconsin	0	1	1
Total	**0**	**1**	**1**

Footnotes:
(1) As of December 31, 2025.
(2) By December 31, 2026.

No franchisees were terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business during the last fiscal year, except as follows: R&L Restaurant Group, 811

New Hampshire St., Lawrence, KS 66044 and Vers Venture II, 2665 Monroe Rd. Suite 140 DE Pere Wi 54115. No franchisees failed to communicate with Mr Brews within the 10-week period before the date of this Disclosure Document.

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

During the last three fiscal years, in some instances, current and former franchisees signed provisions restricting their ability to speak openly about their experience with Mr. Brews. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

There are no trademark-specific franchisee associations applicable to you, either created, sponsored or endorsed by Mr Brews, or independent franchisee associations.

21. FINANCIAL STATEMENTS

Attached as Exhibit C are the audited financial statements for Mr Brews as of December 31, 2025, December 31, 2024 and December 31, 2023.

22. CONTRACTS

Attached as Exhibit D is the Franchise Agreement. Attached as Exhibit E is the Area Development Agreement.

23. RECEIPTS

The last pages of this Disclosure Document are detachable Receipts.

ADDENDUM TO
MR BREWS TAPHOUSE INTERNATIONAL, LLC
FRANCHISE DISCLOSURE DOCUMENT

Item 17 of the Disclosure Document provided to a prospective franchisee for a franchised Restaurant to be located in or who is a resident of any state indicated below in this Addendum is amended by the addition of the following language:

Illinois: Item 17 of the Disclosure Document is amended by the addition of the following language:

IF YOU DO NOT OPEN YOUR RESTAURANT WITHIN 9 MONTHS OF SIGNING THE FRANCHISE AGREEMENT, YOUR FRANCHISE AGREEMENT CAN BE TERMINATED.

The Franchise Agreement and the Area Development Agreement will be governed by Illinois law, including the Illinois Franchise Disclosure Act of 1987, 815 ILCS 705/1-44 (the "Illinois Act").

Section 4 of the Illinois Act provides that the provisions of the Franchise Agreement and the Area Development Agreement which designate jurisdiction or venue in a forum outside of Illinois are void. However, a franchise agreement may provide for arbitration outside of Illinois.

Your rights upon termination and non-renewal of the Franchise Agreement are set forth in Sections 19 and 20 of the Illinois Act.

Section 41 of the Illinois Act provides that any condition, stipulation or provision purporting to bind any person acquiring a franchise to waive compliance with the Illinois Act or any other Illinois law is void. However, you can enter into a settlement agreement, execute a general release of a potential or actual lawsuit, and arbitrate any claim.

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

By reading this disclosure document, you are <u>not</u> agreeing to, acknowledging, or making any representations whatsoever to the Franchisor and its affiliates.

MR BREWS TAPHOUSE INTERNATIONAL, LLC
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT A

LIST OF CURRENT MR BREWS TAPHOUSE® RESTAURANT LOCATIONS
AS OF DECEMBER 31, 2025

FRANCHISED MR BREWS TAPHOUSE® RESTAURANT LOCATIONS

Arizona

Rocky Point North, LLC
1113 S. Signal Butte Rd #106
Mesa, AZ 85208
480-478-8705

Rocky Point North, LLC (dba Mr Brews Red Mountain)
1157 N Ellsworth #120
Mesa, AZ 85207
480-300-4033

Arkansas

Span Little Rock Brewery LLC
Suite 2030 Park Plaza Mall
Little Rock, AR 72205
(501) 273-5300

Kentucky

3C Lex, LLC
220 Ruccio Way, Suite 110
Lexington, KY 40503
(859) 219-1931

Tennessee

M2T2 Brews, LLC
5525 Franklin Rd
Murfreesboro, TN 37128
629-201-6089

M2T2 Brews 2, LLC
427 Sam Ridley Pkwy W,
Smyrna, TN 37167
615-653-3687

Wisconsin

SK Darboy LLC
W5 725 County Hwy. KK
Appleton, WI 54915
(920) 815-3260

Pace Car LLC
5271 High Crossing Blvd.
Madison, WI 53718
(608) 422-5424

Mr Brews Taphouse Oshkosh LLC
1710 Oshkosh Ave
Oshkosh, WI 54902
920-479-1038

Mr Brews Taphouse VI, LLC
2012 County Road HH
Plover, WI 54467
(715) 544-4245

AFFILIATE-OWNED MR BREWS TAPHOUSE® RESTAURANT LOCATIONS

Wisconsin

N91 W15720 Falls Parkway
Menomonee Falls, WI 53051
(262) 415-8138

Footnotes to Exhibit A:

(1) These Mr Brews Restaurants are owned and operated by affiliates of Mr Brews (see Item 1).

LIST OF FORMER MR BREWS TAPHOUSE® RESTAURANT LOCATIONS AS OF DECEMBER 31, 2025

FRANCHISED MR BREWS TAPHOUSE® RESTAURANT LOCATIONS

Kansas

R&L Restaurant Group
811 New Hampshire St
Lawrence, KS 66044
785-856-0550

Wisconsin

Vers Venture II
2665 Monroe Rd
De Pere, WI 54415
920-351-3434

MR BREWS TAPHOUSE INTERNATIONAL, LLC
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT B

CURRENT COMPUTERS AND SOFTWARE REQUIREMENTS (1)

Description	Quantity
22” Elo V$ for kitchen (wall mount)	3
Toast Flex, Toast Tap Toast Printer and Cash drawer	2
Toast Go 2 Pay Table	4
Eight Port Ethernet switch	1
Meraki Z3 Router	1
Ubiquiti Indoor wireless access point	1
Ubiquiti Outdoor wireless access point	1
Toast Kitchen Printer	1
Toast Go 2 5-in 1-Charging Dock	1

OPTIONAL COMPUTER AND SOFTWARE

Description	Quantity
All-In-One Package	1
Third Party integration(optional)	1

Footnote:

(1) As of the date of this Disclosure Document; these items are subject to change based upon availability and upgrades due to technology advancements.

Mr Brews Taphouse International, LLC

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT C

FINANCIAL STATEMENTS

MR. BREWS TAPHOUSE INTERNATIONAL, LLC
AUDITED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

MR. BREWS TAPHOUSE INTERNATIONAL, LLC
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FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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Pitzl & Pitzl
ACCOUNTANTS AND ADVISORS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Members
Of Mr. Brews Taphouse International, LLC

Opinion
We have audited the accompanying financial statements of Mr. Brews Taphouse International, LLC, which comprise the balance sheets as of December 31, 2025 and 2024, and the related statements of operations and members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mr. Brews Taphouse International, LLC as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Mr. Brews Taphouse International, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

In performing an audit in accordance with generally accepted auditing standards, 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 Mr. Brews Taphouse International, LLC'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 Mr. Brews Taphouse International, LLC's ability to continue as a going concern for a reasonable period of time.

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

Pitzl & Pitzl, PA

Pitzl & Pitzl, PA
Arden Hills, MN
February 12, 2026

MR. BREWS TAPHOUSE INTERNATIONAL, LLC
BALANCE SHEETS
AS OF DECEMBER 31, 2025 AND 2024

	DECEMBER 31, 2025	DECEMBER 31, 2024
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 9,628	$ 895
Accounts Receivable, Net	114,697	82,645
Total Current Assets	124,325	83,540
Total Assets	$ 124,325	$ 83,540
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts Payable	$ 13,870	$ 10,489
Deferred Revenue, Current	13,497	23,375
Other Current Liabilities	6,500	19,980
Total Current Liabilities	33,867	53,844
LONG TERM LIABILITIES		
Deferred Revenue, Noncurrent	61,738	80,602
Total Long Term Liabilities	61,738	80,602
Total Liabilities	95,605	134,446
MEMBERS' EQUITY	28,720	(50,906)
Total Liabilities and Members' Equity	$ 124,325	$ 83,540

See auditors' report and accompanying notes to the financial statements.

MR. BREWS TAPHOUSE INTERNATIONAL, LLC
STATEMENTS OF OPERATIONS AND MEMBERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
REVENUES		
Franchise Continuation Fees	$ 403,213	$ 480,777
Rebate Revenue	30,103	28,274
Marketing Fund Fees	96,389	104,626
Franchise Fees	43,742	29,382
Total Operating Revenues	573,447	643,059
OPERATING EXPENSES		
Advertising and Promotion	59,438	85,156
Management Fees	388,390	450,244
Professional Fees	43,403	34,908
Other Operating Expenses	2,590	4,367
Total Operating Expenses	493,821	574,675
NET INCOME	79,626	68,384
MEMBERS' EQUITY, BEGINNING	(50,906)	(119,290)
MEMBERS' EQUITY, ENDING	$ 28,720	$ (50,906)

See auditors' report and accompanying notes to the financial statements.

MR. BREWS TAPHOUSE INTERNATIONAL, LLC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	DECEMBER 31, 2025	DECEMBER 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$ 79,626	$ 68,384
Adjustments to Reconcile Net Income to Net Cash Flows Operating Activities:		
Changes in Assets and Liabilities:		
Accounts Receivable, Net	(32,052)	(36,674)
Accounts Payable	3,381	(35,832)
Deferred Revenues	(28,742)	(9,382)
Other Current Liabilities	(13,480)	12,980
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	8,733	(524)
NET INCREASE (DECREASE) IN CASH	8,733	(524)
CASH AT BEGINNING OF PERIOD	895	1,419
CASH AT END OF PERIOD	$ 9,628	$ 895

See auditors' report and accompanying notes to the financial statements.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Mr. Brews Taphouse International, LLC (the Company) grants franchise rights for the operation of full-service restaurants that feature classic and gourmet hamburgers, sides, craft beer and nonalcoholic beverages under the name Mr. Brews Taphouse.

The Company was organized as a limited liability company (LLC) formed under the Wisconsin Limited Liability Company Act (the Act). The Company consists of two members whose liabilities for the debts and obligations of the Company shall be limited to the maximum extent permitted by the Act and other applicable laws. The Company's operating agreement calls for the Company to dissolve upon the earlier of date provided by law or specific events detailed in the operating agreement.

Cash and Cash Equivalents

As of December 31, 2025 and 2024, the Company maintained its cash at financial institutions in bank deposits, which may exceed federally-insured limits. The Company has not experienced any losses on such accounts and believes it is not exposed to any significant risk on cash.

Accounts Receivable

The Company carries its accounts receivable at cost less an allowance for credit losses. Accounts receivable consist of royalty fees (i.e. continuing franchise fees) and marketing fees. Accounts receivable are not interest bearing. The Company evaluates its accounts receivable with an on-going basis and establishes an allowance for credit losses, when deemed necessary, based on its history of past write-offs and collections and current credit. There was no allowance for credit losses as of December 31, 2025 and 2024.

Assets Recognized From the Costs to Obtain Contracts With Customers

The Company capitalizes incremental costs of obtaining a revenue contract. Sales commissions are considered incremental and recoverable costs of acquiring customer contracts and are capitalized and amortized on a straight-line basis over the anticipated period of benefit, which is considered to be the length of the related franchise agreement. Assets recorded are included in capitalized costs to obtain contracts, current and noncurrent. Amortization expense is recorded in other operating expenses on the statement of operations and members' equity. Net capitalized costs were $0.00 and $0.00 for the years ended December 31, 2025 and 2024, respectively.

Advertising

Advertising costs are expensed when incurred. Advertising expense was $59,438 and $85,156 for the years ended December 31, 2025 and 2024, respectively.

Reclassifications

Certain reclassifications may have been made to the 2024 financial statements in order to conform to the presentation of the 2025 financial statements, none of which have a material effect on financial position, results of operations or cash flows.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Under Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers*, revenue is recognized when control of the promised products or services are transferred to the Company's customers, in an amount that reflects the consideration the Company expects to be entitled to for those products and services. In general, the Company determines revenue recognition through the following steps:

- Identification of the contract or contracts, with the customer
- Identification of the performance obligation(s) in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when or as, the Company satisfies a performance obligation

In the following table, revenue from franchise fees (see note for initial franchise fees below) is disaggregated by timing of satisfaction of performance obligations under Accounting Standards Codification (ASC) 606 for the years ended December 31:

	2025	2024
Performance obligations satisfied	$ 39,337	$ 29,382
Performance obligations to be satisfied, beginning	$ 103,977	$ 113,359
Performance obligations to be satisfied, ending	$ 79,640	$ 103,977

The following policies apply to the Company's major categories of revenue transactions. The following describes the Company's major revenue streams, which represents the disaggregation of revenues:

Franchise Continuation and Marketing Fund Fees

The Company receives a service fee and advertising fee based on a percentage of weekly or monthly sales from the franchised locations. Revenue from royalties is recognized when all material services or conditions under the franchise agreement have been substantially performed or satisfied by the Company. Revenue from advertising fees are recognized weekly or monthly based on reported franchisee sales.

Initial Franchise Fees

The Company's initial franchise fees are considered highly dependent upon and interrelated with the franchise right granted in the franchise agreement. The Company has determined the revenue recognition period for the initial franchisee fees begins on the required opening date and continues to recognize the initial fee evenly over the average life of the franchisee, which the Company has determined to be ten years.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Termination Fees

The Company may charge a fee for closed stores as income when it has no obligations remaining under the franchise agreement and a settlement has been reached with the former franchisee. Revenue is recognized when the performance obligation is satisfied.

Rebates

The Company participates in foodservice group purchasing with several organizations. The Company was enrolled as a customer of CSM Cost Solutions (CSM), a partner of Sysco Corporation during 2022. It is currently enrolled in the program with Consolidated Concepts which allows Consolidated Concepts to act as the Company's authorized agent for receipt and processing of any allowances or rebates earned by the Company through purchases made from its various vendors. Any rebate money received by the Company will be recognized as each performance obligation is satisfied.

Income Taxes

The Company is treated as a limited liability company (LLC) for federal and state income tax purposes. As such, the Company's income, losses and credits are included in the income tax returns of its members.

Common Control Entities

Under Accounting Standards Update (ASU) No. 2018-17, Targeted Improvements to Related Party Guidance for Variable Interest Entities, the Company is no longer evaluating whether entities under common control need to be consolidated as a variable interest entity.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recently Issued Accounting Pronouncements

ASU No. 2016-02, Leases (Topic) 842

In February 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842), which provides guidance for accounting for leases. The new guidance requires companies to recognize the assets and liabilities for the rights and obligations created by leased assets, initially measured at the present value of the lease payments. The accounting guidance for lessors is largely unchanged. The Company adopted this guidance for the year ended December 31,2022 with modified retrospective application to January 1, 2022 through a cumulative-effect adjustment. However, the Company did not have any lease agreements to recognize the assets and liabilities for the years 2025 and 2024.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued Accounting Pronouncements (continued)

ASU No. 2016-13, Financial Instruments-credit losses (Topic326)

In June 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-13, Financial Instruments-Credit Losses (Topic 326), which provides guidance for measurement of credit losses. The Company adopted this guidance on January 1, 2023. This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost, including loan receivables and held-to-maturity debt securities, and some off-balance sheet credit exposures such as unfunded commitments to extend credit. The Company has applied the new standard to Accounts Receivable.

NOTE 2 FAIR VALUE OF FINANCIAL INSTRUMENTS

As of December 31, 2025 and 2024, the carrying amounts of cash and cash equivalents, receivables, accounts payable and accrued expenses approximated their estimated fair values because of the short term nature of these financial instruments.

In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities; fair values determined by Level 2 inputs utilize quoted prices (unadjusted) in inactive markets for identical assets or liabilities obtained from readily available pricing sources for similar instruments. The fair values determined by Level 3 inputs are unobservable values which are supported by little or no market activity.

Money market instruments are valued using a market approach based upon the quoted market prices of identical instruments when available or other observable inputs such as the trading prices of identical instruments in inactive markets or similar securities. It is the Company's policy to recognize transfers between levels of the fair value hierarchy, if any, at the end of the reporting period. However, there have been no such transfers during any periods presented. Cash and cash equivalents have been classified as Level 1 assets on the balance sheet at December 31, 2025 and 2024.

NOTE 3 FRANCHISE AGREEMENTS

The Company entered into one new franchise agreement in 2025 and five franchise agreements were terminated in 2025. The total number of franchised outlets, including affiliates, in operation at December 31, 2025 was eleven.

NOTE 3 FRANCHISE AGREEMENTS (CONTINUED)

The franchise agreements require an initial franchise fee as well as royalty fees equal to the greater of a percentage of revenues generated during the preceding week or month or a base amount as outlined in the franchise agreement. The agreements also require a contribution into a marketing fund (see Note 4). The initial franchise fee is generally $45,000 but can be modified by the Company on a case-by-case basis. The royalty fee is generally five percent of revenues with a base amount of $575 per week.

NOTE 4 MARKETING FUND

The franchise agreements require the franchisee to pay the Company a marketing fee equal to one percent of the revenues generated by the franchisee during the preceding week or month, which are deposited into the marketing fee fund, administered and controlled exclusively by the Company.

NOTE 5 RELATED PARTY TRANSACTIONS

The Company does not have employees. The Company has a mutual, verbal agreement with Mr. Brews Taphouse Holdings, LLC to reimburse all wages, payroll taxes and related benefits for the employees providing services to the Company. The terms of the agreement are variable. Total management fee expense for the years ended December 31, 2025 and 2024 was $388,390 and $450,244, respectively.

The Company receives royalties and marketing fees from related party franchisees with common ownership. The terms are the same as those noted in Note 4. Total royalties and marketing fees received from related party franchisees were $172,737 and $184,285 for the years ended December 31, 2025 and 2024, respectively.

NOTE 6 COMMITMENTS AND CONTINGENCIES

The Company is engaged from time to time in certain legal disputes arising in the ordinary course of business. The Company believes that it has adequate legal defenses and that the likelihood of a loss contingency relating to the ultimate disposition of any of these claims is remote. When the likelihood of a loss contingency becomes at least reasonably possible with respect to any of these disputes, or, as applicable in the future, if there is at least a reasonable possibility that a loss exceeding amounts already recognized may have been incurred, the Company will revise its disclosures in accordance with the relevant authoritative guidance.

Additionally, the Company will accrue a liability for loss contingencies when it is believed that it is both probable that a liability has been incurred and that it can be reasonably estimated the amount of the loss. The Company will review these accruals and adjust them to reflect ongoing negotiations, settlements, rulings, advice of legal counsel, and other relevant information. To the extent new information is obtained, and the views on the probable outcomes of claims, suits, assessments, investigations, or legal proceedings change, changes in the accrued liabilities would be recorded in the period in which such determination is made. For the years ended December 31, 2025 and 2024, the accrued liability for loss contingencies was $0 and $0, respectively.

NOTE 7 SUBSEQUENT EVENTS

Date of Management's Review

In compliance with ASC 855, Subsequent Events, the Company has evaluated subsequent events through February 12, 2026, the date the financial statements were available to be issued. The financial statements were approved by management and available to be issued on February 12, 2026.

MR. BREWS TAPHOUSE INTERNATIONAL, LLC
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Pitzl & Pitzl
ACCOUNTANTS AND ADVISORS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Members
Of Mr. Brews Taphouse International, LLC

Opinion
We have audited the accompanying financial statements of Mr. Brews Taphouse International, LLC, which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of operations and members' deficit, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mr. Brews Taphouse International, LLC as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Mr. Brews Taphouse International, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

In performing an audit in accordance with generally accepted auditing standards, 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 Mr. Brews Taphouse International, LLC'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 Mr. Brews Taphouse International, LLC's ability to continue as a going concern for a reasonable period of time.

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

Pitzl & Pitzl, PA

Pitzl & Pitzl, PA
Arden Hills, MN
February 12, 2025

MR. BREWS TAPHOUSE INTERNATIONAL, LLC
BALANCE SHEETS
AS OF DECEMBER 31, 2024 AND 2023

	DECEMBER 31, 2024	DECEMBER 31, 2023
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 895	$ 1,419
Accounts Receivable, Net	82,645	45,971
Total Current Assets	83,540	47,390
Total Assets	$ 83,540	$ 47,390
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts Payable	$ 10,489	$ 46,321
Deferred Revenue, Current	23,375	23,375
Other Current Liabilities	19,980	7,000
Total Current Liabilities	53,844	76,696
LONG TERM LIABILITIES		
Deferred Revenue, Noncurrent	80,602	89,984
Total Long Term Liabilities	80,602	89,984
Total Liabilities	134,446	166,680
MEMBERS' DEFICIT	(50,906)	(119,290)
Total Liabilities and Members' Deficit	$ 83,540	$ 47,390

See auditors' report and accompanying notes to the financial statements.

MR. BREWS TAPHOUSE INTERNATIONAL, LLC
STATEMENTS OF OPERATIONS AND MEMBERS' DEFICIT
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
REVENUES		
Franchise Continuation Fees	$ 480,777	$ 419,005
Rebate Revenue	28,274	18,220
Marketing Fund Fees	120,623	100,390
Franchise Fees	29,382	54,146
Total Operating Revenues	659,056	591,761
OPERATING EXPENSES		
Advertising and Promotion	85,156	110,644
Credit Losses	15,997	22,450
Management Fees	450,244	425,805
Professional Fees	34,908	39,281
Other Operating Expenses	4,367	4,742
Total Operating Expenses	590,672	602,922
NET INCOME (LOSS)	68,384	(11,161)
MEMBERS' DEFICIT, BEGINNING	(119,290)	(108,129)
MEMBERS' DEFICIT, ENDING	$ (50,906)	$ (119,290)

See auditors' report and accompanying notes to the financial statements.

MR. BREWS TAPHOUSE INTERNATIONAL, LLC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	DECEMBER 31, 2024	DECEMBER 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (Loss)	$ 68,384	$ (11,161)
Adjustments to Reconcile Net Income to Net Cash Flows Operating Activities:		
Changes in assets and liabilities:		
Accounts receivable, net	(36,674)	14,449
Accounts payable	(35,832)	8,750
Deferred revenues	(9,382)	(17,896)
Other Current Liabilities	12,980	7,000
NET CASH PROVIDED (USED) BY IN OPERATING ACTIVITIES	(524)	1,142
NET INCREASE (DECREASE) IN CASH	(524)	1,142
CASH AT BEGINNING OF PERIOD	1,419	277
CASH AT END OF PERIOD	$ 895	$ 1,419

See auditors' report and accompanying notes to the financial statements.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Mr. Brews Taphouse International, LLC (the Company) grants franchise rights for the operation of full-service restaurants that feature classic and gourmet hamburgers, sides, craft beer and nonalcoholic beverages under the name Mr. Brews Taphouse.

The Company was organized as a limited liability company (LLC) formed under the Wisconsin Limited Liability Company Act (the Act). The Company consists of two members whose liabilities for the debts and obligations of the Company shall be limited to the maximum extent permitted by the Act and other applicable laws. The Company's operating agreement calls for the Company to dissolve upon the earlier of date provided by law or specific events detailed in the operating agreement.

Cash and Cash Equivalents

As of December 31, 2024 and 2023, the Company maintained its cash at financial institutions in bank deposits, which may exceed federally-insured limits. The Company has not experienced any losses on such accounts and believes it is not exposed to any significant risk on cash.

Accounts Receivable

The Company carries its accounts receivable at cost less an allowance for credit losses. Accounts receivable consist of royalty fees (i.e. continuing franchise fees) and marketing fees. Accounts receivable are not interest bearing. The Company evaluates its accounts receivable with an on-going basis and establishes an allowance for credit losses, when deemed necessary, based on its history of past write-offs and collections and current credit. There was no allowance for credit losses as of December 31, 2024 and 2023.

Assets Recognized From the Costs to Obtain Contracts With Customers

The Company capitalizes incremental costs of obtaining a revenue contract. Sales commissions are considered incremental and recoverable costs of acquiring customer contracts and are capitalized and amortized on a straight-line basis over the anticipated period of benefit, which is considered to be the length of the related franchise agreement. Assets recorded are included in capitalized costs to obtain contracts, current and noncurrent. Amortization expense is recorded in other operating expenses on the statement of operations and members' deficit. Net capitalized costs were $0.00 and $0.00 for the years ended December 31, 2024 and 2023, respectively.

Advertising

Advertising costs are expensed when incurred. Advertising expense was $85,156 and $110,644 for the years ended December 31, 2024 and 2023, respectively.

Reclassifications

Certain reclassifications may have been made to the 2023 financial statements in order to conform to the presentation of the 2024 financial statements, none of which have a material effect on financial position, results of operations or cash flows.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Under Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers*, revenue is recognized when control of the promised products or services are transferred to the Company's customers, in an amount that reflects the consideration the Company expects to be entitled to for those products and services. In general, the Company determines revenue recognition through the following steps:

- Identification of the contract or contracts, with the customer
- Identification of the performance obligation(s) in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when or as, the Company satisfies a performance obligation

In the following table, revenue from franchise fees (see note for initial franchise fees below) is disaggregated by timing of satisfaction of performance obligations under Accounting Standards Codification (ASC) 606 for the years ended December 31:

	2024	2023
Performance obligations satisfied	$ 29,382	$ 54,146
Performance obligations to be satisfied, beginning	$ 113,359	$ 131,255
Performance obligations to be satisfied, ending	$ 103,977	$ 113,359

The following policies apply to the Company's major categories of revenue transactions. The following describes the Company's major revenue streams, which represents the disaggregation of revenues:

Franchise Continuation and Marketing Fund Fees

The Company receives a service fee and advertising fee based on a percentage of weekly or monthly sales from the franchised locations. Revenue from royalties is recognized when all material services or conditions under the franchise agreement have been substantially performed or satisfied by the Company. Revenue from advertising fees are recognized weekly or monthly based on reported franchisee sales.

Initial Franchise Fees

The Company's initial franchise fees are considered highly dependent upon and interrelated with the franchise right granted in the franchise agreement. The Company has determined the revenue recognition period for the initial franchisee fees begins on the required opening date and continues to recognize the initial fee evenly over the average life of the franchisee, which the Company has determined to be ten years.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Termination Fees

The Company may charge a fee for closed stores as income when it has no obligations remaining under the franchise agreement and a settlement has been reached with the former franchisee. Revenue is recognized when the performance obligation is satisfied.

Rebates

The Company participates in foodservice group purchasing with several organizations. The Company was enrolled as a customer of CSM Cost Solutions (CSM), a partner of Sysco Corporation during 2022. It is currently enrolled in the program with Consolidated Concepts which allows Consolidated Concepts to act as the Company's authorized agent for receipt and processing of any allowances or rebates earned by the Company through purchases made from its various vendors. Any rebate money received by the Company will be recognized as each performance obligation is satisfied.

Income Taxes

The Company is treated as a limited liability company (LLC) for federal and state income tax purposes. As such, the Company's income, losses and credits are included in the income tax returns of its members.

Common Control Entities

Under Accounting Standards Update (ASU) No. 2018-17, Targeted Improvements to Related Party Guidance for Variable Interest Entities, the Company is no longer evaluating whether entities under common control need to be consolidated as a variable interest entity.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recently Issued Accounting Pronouncements

ASU No. 2016-02, Leases (Topic) 842

In February 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842), which provides guidance for accounting for leases. The new guidance requires companies to recognize the assets and liabilities for the rights and obligations created by leased assets, initially measured at the present value of the lease payments. The accounting guidance for lessors is largely unchanged. The Company adopted this guidance for the year ended December 31,2022 with modified retrospective application to January 1, 2022 through a cumulative-effect adjustment. However, the Company did not have any lease agreements to recognize the assets and liabilities for the years 2024 and 2023.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued Accounting Pronouncements (continued)

ASU No. 2016-13, Financial Instruments-credit losses (Topic326)

In June 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-13, Financial Instruments-Credit Losses (Topic 326), which provides guidance for measurement of credit losses. The Company adopted this guidance on January 1, 2023. This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost, including loan receivables and held-to-maturity debt securities, and some off-balance sheet credit exposures such as unfunded commitments to extend credit. The Company has applied the new standard to Accounts Receivable.

NOTE 2 FAIR VALUE OF FINANCIAL INSTRUMENTS

As of December 31, 2024 and 2023, the carrying amounts of cash and cash equivalents, receivables, accounts payable and accrued expenses approximated their estimated fair values because of the short term nature of these financial instruments.

In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities; fair values determined by Level 2 inputs utilize quoted prices (unadjusted) in inactive markets for identical assets or liabilities obtained from readily available pricing sources for similar instruments. The fair values determined by Level 3 inputs are unobservable values which are supported by little or no market activity.

Money market instruments are valued using a market approach based upon the quoted market prices of identical instruments when available or other observable inputs such as the trading prices of identical instruments in inactive markets or similar securities. It is the Company's policy to recognize transfers between levels of the fair value hierarchy, if any, at the end of the reporting period. However, there have been no such transfers during any periods presented. Cash and cash equivalents have been classified as Level 1 assets on the balance sheet at December 31, 2024 and 2023.

NOTE 3 FRANCHISE AGREEMENTS

The Company entered into one new franchise agreement in 2024 and one franchise agreement was terminated in 2024. The total number of franchised outlets, including affiliates, in operation at December 31, 2024 was fifteen.

NOTE 3 FRANCHISE AGREEMENTS (CONTINUED)

The franchise agreements require an initial franchise fee as well as royalty fees equal to the greater of a percentage of revenues generated during the preceding week or month or a base amount as outlined in the franchise agreement. The agreements also require a contribution into a marketing fund (see Note 4). The initial franchise fee is generally $45,000 but can be modified by the Company on a case-by-case basis. The royalty fee is generally five percent of revenues with a base amount of $575 per week.

NOTE 4 MARKETING FUND

The franchise agreements require the franchisee to pay the Company a marketing fee equal to one percent of the revenues generated by the franchisee during the preceding week or month, which are deposited into the marketing fee fund, administered and controlled exclusively by the Company.

NOTE 5 RELATED PARTY TRANSACTIONS

The Company does not have employees. The Company has a mutual, verbal agreement with Mr. Brews Taphouse Holdings, LLC to reimburse all wages, payroll taxes and related benefits for the employees providing services to the Company. The terms of the agreement are variable. Total management fee expense for the years ended December 31, 2024 and 2023 was $450,244 and $425,805, respectively.

The Company receives royalties and marketing fees from related party franchisees with common ownership. The terms are the same as those noted in Note 4. Total royalties and marketing fees received from related party franchisees were $184,285 and $115,689 for the years ended December 31, 2024 and 2023, respectively.

NOTE 6 COMMITMENTS AND CONTINGENCIES

The Company is engaged from time to time in certain legal disputes arising in the ordinary course of business. The Company believes that it has adequate legal defenses and that the likelihood of a loss contingency relating to the ultimate disposition of any of these claims is remote. When the likelihood of a loss contingency becomes at least reasonably possible with respect to any of these disputes, or, as applicable in the future, if there is at least a reasonable possibility that a loss exceeding amounts already recognized may have been incurred, the Company will revise its disclosures in accordance with the relevant authoritative guidance.

Additionally, the Company will accrue a liability for loss contingencies when it is believed that it is both probable that a liability has been incurred and that it can be reasonably estimated the amount of the loss. The Company will review these accruals and adjust them to reflect ongoing negotiations, settlements, rulings, advice of legal counsel, and other relevant information. To the extent new information is obtained, and the views on the probable outcomes of claims, suits, assessments, investigations, or legal proceedings change, changes in the accrued liabilities would be recorded in the period in which such determination is made. For the years ended December 31, 2024 and 2023, the accrued liability for loss contingencies was $0 and $0, respectively.

NOTE 7 SUBSEQUENT EVENTS

New Franchise Agreements

Subsequent to December 31, 2024, two franchisees have terminated in January, 2025.

Date of Management's Review

In compliance with ASC 855, Subsequent Events, the Company has evaluated subsequent events through February 12, 2025, the date the financial statements were available to be issued. The financial statements were approved by management and available to be issued on February 12, 2025.

Mr Brews Taphouse International, LLC

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT D

FRANCHISE AGREEMENT

Mr Brews Taphouse International, LLC
N9059 Riverview Road
Birnamwood, WI 54414
Telephone: (608) 556-1775

FRANCHISE AGREEMENT

Franchisee

_____
Legal Name

_____
Street

_____
City, State, Zip Code

_____
Telephone Number/Facsimile Number

_____
Email Address

Franchised Location

_____
Street

_____
City, State, Zip Code

Date of Franchise Agreement

_____, 20___

Restaurant No. _____

Mr Brews Taphouse International, LLC

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Mr Brews Taphouse International, LLC

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this "Agreement") is made and entered into this _____ day of _____, 20___, by and between Mr Brews Taphouse International, LLC, a Wisconsin limited liability company ("Mr Brews"), and _____, a(n) _____ (the "Franchisee").

In consideration of the mutual promises and covenants set forth in this Agreement, Mr Brews and Franchisee agree as follows:

ARTICLE 1
GRANT OF FRANCHISE

1.1 Mr Brews System.
Mr Brews has developed a distinctive business system for operating and franchising restaurants featuring a variety of craft beer selections and high-quality hamburgers served on bakery fresh buns along with other food and beverage products in a distinctive, casual, and family-friendly atmosphere under the name Mr Brews Taphouse® (the "Mr Brews System"). Mr Brews has extensively publicized the name "Mr Brews Taphouse®" to the public as an organization of restaurant businesses operating under the Mr Brews System. Mr Brews may modify the Mr Brews System in the exercise of its business judgment and may authorize regional or local variations in the Mr Brews System, tests of potential new menu items or products, and the introduction of menu items or products in stages over time, all in the exercise of its business judgment to enhance the marketing, consumer acceptance, competitive position, compliance obligations, and other objectives intended to facilitate operations over the Term.

1.2 Marks.
Mr Brews has the right and authority to license the use of the name "Mr Brews Taphouse®" and the other Marks for use in connection with the Mr Brews System to selected persons, businesses or Entities that will comply with the Mr Brews uniformity requirements and quality standards. Mr Brews intends, in the exercise of its business judgment, to develop, use and control the use of the Marks in order to identify for the public the source of the Foods, Beverages, and Products and related services marketed under the Mr Brews System, and to represent to the public the Mr Brews System's high standards of quality, appearance, cleanliness and service.

1.3 Franchisee's Objective.
Franchisee desires to develop, own and operate a Mr Brews Taphouse® restaurant (the "Restaurant") in strict conformity with the Mr Brews System and the Mr Brews uniformity requirements and quality standards, as may be established by Mr Brews from time to time, and all other terms of this Agreement. Franchisee understands the importance of the high standards of quality, appearance, procedures, controls, cleanliness and service established by Mr Brews, and the necessity of operating the Restaurant in strict conformity with the standards and specifications established by Mr Brews.

1.4 Personal Guaranty.
All Owners of Franchisee who own 20% or more of the Ownership Interests of Franchisee (and, if married, such Owners' spouses), and (b) the Owners of at least 50% of the total Ownership

Interests of Franchisee (and, if married, such Owners' spouses), must sign the Personal Guaranty attached to this Agreement.

1.5 Grant of Franchise.

(a) Franchise Grant and Location. Mr Brews hereby grants Franchisee the personal right to operate one Mr Brews Restaurant in conformity with the Mr Brews System using the name "Mr Brews Taphouse®" and other specified Marks at the Franchised Location set forth and described in the Addendum attached to this Agreement. Except as expressly granted to Franchisee in this Article 1.5, all rights respecting protected and designated areas, venues and types of operation, are outside the scope of this Agreement and, as between Mr Brews and Franchisee, will remain vested in and be retained by Mr Brews. Rights granted to Franchisee in this Article 1.5 are strictly limited to those expressly granted and may not be enlarged or modified by interpretation, implication or any other process. Franchisee has no right to franchise, sub-franchise, license, or sublicense its rights under this Agreement, or any part thereof. Franchisee will not have the right to Assign this Agreement or its rights under this Agreement in whole or in part, or to Assign the income stream from the operation of the Restaurant, except as specifically provided in this Agreement.

(b) Designated Area. Subject to the limitations of this Article 1.5, Franchisee will operate the Restaurant only at the Franchised Location in the Designated Area set forth in the Addendum attached to this Agreement. Franchisee's Designated Area consists of an area around the Franchised Location, the specific size of which has been determined by Mr Brews in the exercise of its reasonable business judgment. The Designated Area may be expressed with reference to a radius, to roadways, to natural and/or man-made landmarks, or such other identifiers as Mr Brews determines. Franchisee accepts such determination.

(c) Limited Exclusivity. Mr Brews will not Develop a Mr Brews Taphouse® restaurant within Franchisee's Designated Area. No other type of Franchisee exclusivity is intended. Mr Brews and its licensees, appointees, designated franchisees and agents have the absolute and exclusive right to advertise, promote, and sell all of the Foods, Beverages, and Products associated with the Mr Brews System at special promotions conducted within or outside of the Designated Area. Mr Brews has the absolute and exclusive right to (i) Develop other restaurant business concepts of any kind under other brand names anywhere, even if the locations for the concepts are within the Designated Area; and (ii) Develop Mr Brews Taphouse® restaurants in the Designated Area if they are located at or within an airport, a train station or other mass transit facility, a theme or entertainment park, a stadium or arena or other venue for semi-professional or professional sports, a military installation, within the boundaries of a school, college, university, or hospital, or at other similar venues that Mr Brews determines, in the exercise of its reasonable business judgment, to be entirely or in principal part "captive markets." Mr Brews has the absolute and exclusive right to, market, distribute, and sell or license for sale, on a wholesale or retail basis, seasonings, sauces, food products, clothing, or any other products under any of the Marks, by direct sale, the Internet, mail order, infomercials, telemarketing, or by any other marketing or distribution method, even if such sales are made to customers, distributors, or retailers or ultimate consumers who are located in the Designated Area.

(d) Undetermined Franchised Location. If the Franchised Location has not yet been determined as of the date of this Agreement, then when the address of the Franchised Location is determined, the street address, city and state for the Franchised Location will be inserted in the attached Addendum to this Agreement and signed by both Mr Brews and Franchisee, and the Addendum, as completed, will amend this Agreement.

(e) Required Opening Date. Franchisee will, at its sole expense, cause Franchisee's Restaurant to be open and operating in compliance with Mr Brews' standards and specifications on or before the Required Opening Date. Time is of the essence and Franchisee's failure to open the Restaurant by the Required Opening Date is a material breach of this Agreement, entitling Mr Brews to exercise all rights with respect thereto, including termination. Notwithstanding the foregoing, (i) if the failure to open before the Required Opening Date is due to fire or other casualty or act of God, Mr Brews may, in the exercise of its reasonable business judgment, extend the Required Opening Date in writing for up to 6 months after the date of the casualty event; and (ii) if Franchisee will not be able to meet the deadline, Franchisee may obtain one 60-day extension of the Required Opening Date, upon giving written notice to Mr Brews before the Required Opening Date, describing and certifying to the circumstances qualifying for an extension. No rights to any further extensions are contemplated by Mr Brews or Franchisee. In the event Mr Brews decides to offer a further extension, such extension will be based on Mr Brews' sole judgment on such terms and conditions as Mr Brews may then determine, and shall be expressed in a written extension signed by both Mr Brews and Franchisee.

ARTICLE 2
TERM OF AGREEMENT

2.1 Term.

The term of this Agreement will commence on the date of this Agreement and will expire on the date that is 10 years after the Required Opening Date, unless earlier terminated in accordance with this Agreement (the "Term").

2.2 Franchisee's Option to Reacquire Franchise.

(a) Terms of Reacquisition. At the end of the Term, Franchisee has the right to reacquire the Franchise for the Franchised Location for 2 additional 5-year terms, provided that Franchisee has timely complied with all terms and conditions of this Agreement including the timely payment of all Royalty Fees and other Fees due, and further provided that: (i) Franchisee has given Mr Brews written notice at least 180 days prior to the end of the Term of its intention to reacquire the Franchise for the Franchised Location; (ii) all monetary obligations owed by Franchisee to Mr Brews have been paid or satisfied prior to the end of the Term; (iii) Franchisee has agreed, in writing, to make the reasonable capital expenditures necessary to remodel the Franchised Location to comply with the then-current Mr Brews® image, décor and specifications; (iv) Franchisee either owns or has the right to lease the Franchised Location for a term that coincides with the additional 5-year term; (v) Franchisee and its employees have completed the required training designated by Mr Brews; (vi) Franchisee and its Owners execute a release in a form satisfactory to Mr Brews releasing and discharging Mr Brews and its directors, officers, Affiliates, successors and assigns from and against all Claims and demands which Franchisee may have against Mr Brews and the other released parties; and (vii) Franchisee executes Mr Brews' then-current standard franchise agreement, provided that Franchisee will pay Mr Brews a Reacquisition Fee equal to 10% of the

Initial Fee specified in the then-current standard franchise agreement in lieu of the Initial Fee thereunder, and that there will be no further right or option to reacquire the Franchise or further extend the term of such franchise agreement (unless the agreement is for Franchisee's first 5-year additional term, in which case Franchisee will have the right to reacquire the Franchise for one additional 5-year term). The terms, conditions and economics of future franchise agreements may vary substantially in substance and form from this Agreement; however, if the Royalty Fees in the then-current franchise agreement are higher than the Royalty Fees in this Agreement, Franchisee will be permitted to pay Royalty Fees at the rate specified in this Agreement. Franchisee shall pay all other Fees at the rates specified in the then-current standard franchise agreement.

(b) Franchise Agreement Terms. Any reacquisition of the Franchise shall not be effective unless and until Franchisee executes Mr Brews' then-current standard franchise agreement (modified to reflect the Reacquisition Fee and the fact that the franchise agreement is for a 5-year renewal term only) at least 30 days before the expiration of the original Term.

ARTICLE 3
INITIAL FEE AND ROYALTY FEES

3.1 Initial Fee.
Franchisee will pay Mr Brews a non-refundable Initial Fee of $45,000 on the date Franchisee signs this Agreement; provided however, that if this Agreement is signed in compliance with an Area Development Agreement between Mr Brews and Franchisee (or a Controlled Entity, as defined in the Area Development Agreement), then the amount of the Initial Fee payable to Mr Brews will be the amount specified in the Area Development Agreement. In all instances, the Initial Fee will be nonrefundable and will be fully earned by Mr Brews when the Initial Fee is paid by Franchisee.

3.2 Royalty Fee; Date Payable.

(a) Royalty Fee. On Monday of each Week, or at such other time as may be designated by Mr Brews, Franchisee shall pay Mr Brews a fee equal to the greater of (i) 5% of the Restaurant's Revenues for the previous Week, or (ii) $575 (the "Royalty Fee"). In all cases, the Royalty Fee is payable by Franchisee each Monday with respect to the previous Week's Revenues, unless that day is a non-business day, in which case the Royalty Fee is payable to Mr Brews on the next business day. Franchisee's obligation to pay Royalty Fees pursuant to the terms of this Agreement is absolute and unconditional, and remains in full force and effect for the entire Term of this Agreement.

(b) Revenue Reports. Franchisee will maintain an accurate and durable written record of the daily and Weekly Revenues for Franchisee's Restaurant and shall timely submit Revenue Reports. The Revenue Reports will be electronically transmitted to Mr Brews by Franchisee by 12:00 noon, Central Time on Monday of each Week for the previous Week or be available for retrieval by Mr Brews from Franchisee's point of sale system anytime after 12:00 noon Central Time on Monday of each Week for the previous Week. All Revenue Reports for the Restaurant will align to the Mr Brews fiscal calendar and will be in the form specified by Mr Brews.

ARTICLE 4
MARKETING FUND FEE

4.1 Marketing Fund Fee.
In addition to all amounts payable to Mr Brews by Franchisee, each Monday Franchisee must pay Mr Brews a Marketing Fund Fee (the "Marketing Fund Fees") equal to 1% of the Revenues generated by Franchisee's Restaurant for the preceding Week, unless that day is a non-business day, in which case the Marketing Fund Fee is payable to Mr Brews on the next business day. The Marketing Fund Fees will be deposited into one or more local, regional, national or international Marketing Funds (collectively, the "Fund" or the "Marketing Fund"), which will be administered and controlled exclusively by Mr Brews.

4.2 Use of Marketing Fund Fees.
Mr Brews will determine when, how and where the Marketing Fund Fees and other payments will be deposited into the Fund and how the Fund will be spent in the exercise of its reasonable business judgment. This includes, without limitation, the right of Mr Brews to purchase and pay for product and market research, market strategy, production development, production of point-of-purchase materials, ads, brochures, radio and television commercial production costs, services provided by advertising agencies, maintaining sales and marketing staff and related expenses (including reasonable salaries, administrative costs, travel expenses, overhead and similar expenses Mr Brews may incur in activities related to the administration of the Marketing Fund), in-store advertising, signs, public relations, telemarketing, direct mail advertising, promotional programs, advertising market research, brand development, online media, graphics and design costs, creation and maintenance of a website for the Mr Brews System, Internet costs, miscellaneous advertising costs, expenditures for items, materials and services provided by third parties, the costs incurred in administering the Marketing Fund, other costs and expenses as Mr Brews deems appropriate and in the best interests of all Mr Brews Taphouse® restaurants and the Mr Brews System, and for local, regional, national and/or Mr Brews System wide promotional programs and advertising. All costs for the administration of the Fund, collection costs and office supplies will be paid from the Fund (including attorneys' fees paid in collecting past due Marketing Fund Fees or in addressing disputes of any kind involving the Fund and its expenditures).

4.3 Management of Fund.
The Marketing Fund will be managed by Mr Brews, and Mr Brews will have the right to, in its business judgment, do any of the following: (a) compensate Mr Brews and/or its Affiliates for salaries, administrative costs, overhead and other expenses incurred in Marketing Fund related programs/activities including, but not limited to, production, research, insurance, and collection expenses, as well as any legal expense related to the activities and purposes of the Marketing Fund consistent with the provisions of this Agreement; (b) charge the Marketing Fund for attorneys' fees and other costs related in any way to Claims against Mr Brews regarding the Marketing Fund; (c) spend in any fiscal or calendar year an amount greater or less than the aggregate contributions to the Marketing Fund in that year, and the Marketing Fund may borrow from Mr Brews or other lenders to cover deficits of the Marketing Fund or cause the Marketing Fund to invest any surplus; (d) loan money to the Marketing Fund for the purposes set forth herein; provided however, that all such loans by Mr Brews to the Marketing Fund will be evidenced by a promissory note and will bear interest at the rate that is equal to the prime rate of interest quoted by the Money and Investing section of the Wall Street Journal on the date of the loan, plus 300 basis points; (e) collect for remission to the Marketing Fund any Payments made by any supplier based upon franchisee purchases; provided however, that any such contributions, whether or not made with respect to direct or indirect purchases by Franchisee,

will not count toward Franchisee's required Marketing Fund Fees; (f) revise marketing and other programs, and/or make expenditures from the Marketing Fund, to take account of cultural and other differences; (g) defer, waive and/or compromise Claims for current/future contributions to, and/or Claims against or with respect to, the Marketing Fund and pay the same from the Marketing Fund; (h) take legal or other action against any franchisee in default of their obligations to the Marketing Fund; (i) merge the Marketing Fund with any other advertising, production or marketing fund otherwise established for Mr Brews Taphouse® restaurants; (j) maintain the Marketing Fund assets in one or more accounts designated as "trust accounts" for purposes of protecting such assets from Claims of third-party creditors, (however, such action shall not be deemed to create any "trust," "fiduciary relationship" or similar special arrangement); and (k) take such other actions in connection with the Marketing Fund as Mr Brews considers to be appropriate and as are consistent with the provisions of this Article. Franchisee and Mr Brews agree that the Fund is not a trust or escrow account, and Mr Brews does not have any fiduciary obligations regarding the Fund. Mr Brews is not required to spend the Marketing Fund Fees in any particular geographic or DMA market and has no obligation to spend the Marketing Fund Fees in Franchisee's market area in proportion to the Marketing Fund Fees paid by Franchisee. Mr Brews is not required to spend the Marketing Fund Fees in the calendar year in which the payments were made. Payments to the Fund not spent in the calendar year in which they were paid and the interest accrued will remain in the Fund. A summary showing the income to the Fund and the expenditures made from the Fund during each calendar year will, upon written request, be provided to Franchisee on a confidential basis no more frequently than once per year.

ARTICLE 5
OTHER ADVERTISING AND PROMOTION

5.1 Approved Advertising.
Franchisee will not conduct any advertising and/or promotion programs for its Restaurant, without the written approval of Mr Brews. Franchisee's use of advertising, marketing and promotional materials provided to Franchisee in the Operations Manual or otherwise furnished by Mr Brews to Franchisee will be deemed to have been approved by Mr Brews. Franchisee will not permit any party to advertise its business, services or products on the premises of the Franchised Location or in connection with Franchisee's Restaurant.

5.2 Local Advertising.
Franchisee will, each calendar year during the Term, spend at least $2,500 on approved local advertising for its Restaurant, as specified in the Operations Manual ("Local Advertising"). On the first Monday of each calendar month, Franchisee will, in the prescribed form, furnish Mr Brews with an accurate accounting of Franchisee's expenditures for Local Advertising for the previous month, if any. If Franchisee fails to spend $2,500 for approved Local Advertising in any calendar year, Franchisee will deposit with Mr Brews the difference between the amount Franchisee was required to spend and the amount actually spent by Franchisee. Mr Brews will have the right to spend all of the funds deposited by Franchisee under this provision for advertising and promotion in Franchisee's DMA in the manner deemed appropriate by Mr Brews.

5.3 Local Advertising Association.
When two or more independently owned or controlled Mr Brews Taphouse® restaurants, including Franchisee's Restaurant, are opened in Franchisee's Designated Market Area ("DMA") (or such other market area designated by Mr Brews), Mr Brews will have the right to require, in its sole discretion, that Franchisee's Restaurant (and the other Mr Brews Taphouse®

restaurants in the DMA) participate in a local DMA advertising group (the "Local Advertising Association" or the "LAA") which will conduct and administer media advertising, promotion, marketing and public relations ("Production and Marketing") for the benefit of the Mr Brews Taphouse® restaurants located in the DMA. At such time as Mr Brews requires that Franchisee participate in a Local Advertising Association for the Restaurants in its DMA, the LAA will be subject to the following terms and conditions:

(a) The LAA will consist of all Mr Brews Taphouse® restaurants in the DMA, including the Mr Brews Taphouse® restaurants in the DMA owned by Mr Brews or an Affiliate of Mr Brews.

(b) Each Mr Brews Taphouse® restaurant in the DMA, including the Mr Brews Taphouse® restaurants owned by Mr Brews or an Affiliate will be a "Member" of the LAA. Each Member will have one vote for each franchised or company-owned Restaurant owned by it in the DMA on all matters to be voted upon at duly convened meetings.

(c) Each Member will be given 5 days written notice of any proposed meeting. A quorum consisting of a majority of all Members of the LAA will be required to convene any meeting of the LAA. A majority vote by the Members present at a duly convened meeting will be required to pass any proposed resolutions or motions. All meetings will be conducted according to Robert's Rules of Order.

(d) The purpose of the LAA will be to conduct Production and Marketing for the benefit of all Mr Brews Taphouse® restaurants located in the DMA.

(e) The LAA will not conduct any Production and Marketing program or campaign for the Mr Brews Taphouse® restaurants in the DMA unless and until Mr Brews has given the LAA prior written approval for all concepts, materials or media proposed for any such Production and Marketing program or campaign.

(f) On or before every Monday, each Member of the LAA will contribute to the LAA at least an amount equal to 1% of the Revenues generated during the previous Week by the Member's Mr Brews Taphouse® restaurant (the "Local Advertising Fee"). The Local Advertising Fee contributed by the Members will be used by the LAA for Production and Marketing programs and campaigns for the benefit of all Mr Brews Taphouse® restaurants in the DMA. The cost of all Production and Marketing in the DMA must be approved by a majority vote of all Members present at a duly convened meeting. If the cost of the Production and Marketing approved by the Members exceeds the amount of funds available to the LAA, then the Local Advertising Fee payable by Franchisee and all other Members to the LAA pursuant to this subsection (f) may be increased by vote of a majority of the Members present at a duly convened meeting. Franchisee will contribute the amount of the Local Advertising Fee agreed to by the Members to the LAA in accordance with this provision.

(g) The LAA will, within 20 days after the end of each calendar quarter, furnish to Mr Brews and its Members in the form prescribed by Mr Brews, a written summary of the Members' contributions to the LAA and an accurate accounting of the LAA's expenditures for approved Production and Marketing.

(h) The Local Advertising Fee paid by Franchisee to the LAA will be applied to satisfy the Local Advertising requirement set forth in Article 5.2 of this Agreement. Otherwise, contributions to the LAA by Franchisee pursuant to this provision will be in addition to the payment of the Marketing Fund Fee and the other advertising obligations of Franchisee set forth in this Agreement.

5.4 Grand Opening.

Mr Brews will spend a minimum of $2,500 on advertising and promotion for Franchisee's Restaurant during the period commencing 7 days prior to the opening of Franchisee's Restaurant and ending 90 days after the date on which Franchisee's Restaurant opens for business. Mr Brews advises Franchisee that it may be necessary for Franchisee to spend additional amounts on soft and grand opening activities.

5.5 Telephone Directory Listings.

If the Franchisee advertises its Restaurant in the electronic or printed book versions of the "Yellow Pages" for Franchisee's market area, Franchisee will do so under the heading of "Restaurants" and/or any other listings designated by Mr Brews in writing. The format, size and content of the listings and advertising will conform to the standards specified by Mr Brews.

5.6 Franchisee Advisory Council.

Mr Brews has the right to create a "Franchisee Advisory Council," or similar advisory group, for the purpose of fostering communication among and between franchisees and Mr Brews and its affiliates, as well as to establish, modify or discuss various policies applicable to Restaurants operating under the Mr Brews System, including policies pertaining to advertising. If and when Mr Brews creates a Franchisee Advisory Council, Mr Brews has the right to require that Franchisee participate in such Franchisee Advisory Council meetings and programs as Mr Brews may designate. Franchisee will be responsible for any costs and expenses that it incurs in participating in the Franchisee Advisory Council including, without limitation, the costs of transportation, lodging, and meals. Mr Brews may form, change, or dissolve the Franchisee Advisory Council at any time.

ARTICLE 6
PAYMENT OF FEES AND OTHER AMOUNTS

6.1 Interest on Unpaid Fees.

If Franchisee fails to timely remit any Fees or other amounts due to Mr Brews, then the amount of the past due payment will bear simple interest at the lesser of the maximum legal rate allowable by applicable law or 18% simple interest per annum. Franchisee will, on the date invoiced, immediately reimburse Mr Brews for any and all costs incurred by Mr Brews in the collection of any past due payments, including attorneys' fees and costs. Franchisee has no "right of offset' and, as a consequence, Franchisee must timely pay any and all amounts due to Mr Brews under this Agreement regardless of any Claims Franchisee may allege against Mr Brews.

6.2 Payment Method.

The Fees will be paid to Mr Brews by electronic transfer ("EFT"), using such methods and technologies for effecting payment as Mr Brews may specify. Such methods may be modified from time to time by Mr Brews in writing, as it solely determines, in order to reflect improvements and new technologies available for fund reporting and transfer. Franchisee agrees to adopt and install any equipment needed to implement such changes and enter into any and all agreements required in connection therewith. As of the date of this Agreement, Mr

Brews draws payments due to it using electronic transfers from Franchisee's designated bank account. Accordingly, at the same time as this Agreement is executed, Franchisee must sign the electronic transfer of funds authorization, attached to this Agreement as Exhibit A, authorizing and directing Franchisee's financial institution to transfer electronically, directly to Mr Brews, and to charge Franchisee's account all amounts owed to Mr Brews under this Agreement when due, except in the event that Mr Brews notifies Franchisee that certain amounts need not be paid via electronic transfer of funds. Franchisee must at all times maintain a balance in its account sufficient to allow Mr Brews to collect the amount owed when due. Franchisee is responsible for any fees, penalties, fines, or other similar expenses associated with the transfer of funds described in this section.

6.3 Franchisee's Obligation to Pay.

Franchisee's obligation to pay Mr Brews the Fees pursuant to the terms of this Agreement are absolute and unconditional, and will remain in full force and effect for the entire term of this Agreement.

ARTICLE 7
FINANCIAL STATEMENTS

7.1 Financial Statements.

Franchisee will adopt the Accounting Year for financial reporting purposes specified by Mr Brews in the Operations Manual or otherwise in writing. Franchisee will, at its expense, prepare Financial Statements that will be delivered to Mr Brews within 90 days after the end of Franchisee's Accounting Year. In addition, if Franchisee has received a notice of default from Mr Brews, Franchisee will, at its expense, prepare Financial Statements that will be delivered to Mr Brews within 10 days after the end of each four-Week period until such time as Franchisee has received written notice from Mr Brews that it is no longer in default hereunder. All Financial Statements will be prepared in accordance with generally accepted accounting principles in the form or forms prescribed by Mr Brews and will conform to the Accounting Year and standard chart of accounts prescribed by Mr Brews in this Agreement or the Operations Manual. The Financial Statements must be verified by an officer or Owner of Franchisee as to their accuracy and completeness.

7.2 Sales and Income Tax Returns.

Within 3 business days after receipt of a written request, Franchisee will furnish Mr Brews with complete signed copies of all sales tax returns and income tax returns for Franchisee's Restaurant for the fiscal years or other periods requested.

7.3 Audit Rights.

Within 3 business days after receiving written notice from Mr Brews, Franchisee and Franchisee's accountants will make all of the Financial Records available during business hours for Mr Brews or its designees to review, copy and audit. The Financial Records for each Accounting Year will be maintained by Franchisee in a safe place for each of the last 5 Accounting Years. The audit will be conducted at the location where Franchisee maintains the Financial Records and Mr Brews will be provided with adequate facilities by Franchisee to conduct the audit. Mr Brews will maintain the confidentiality of all Financial Records; however, if the Financial Records are relevant to any issue in any mediation, court or other proceeding between the parties, then Mr Brews will have the right to disclose the Financial Records accordingly.

7.4 Payment of Audit Costs.
If an audit of Franchisee's Financial Records reveals any deficiencies in the Fees payable to Mr Brews, then Franchisee will, within 5 days after receipt of an invoice, pay to Mr Brews any deficiency owed, together with interest and Administrative Fees as provided for herein. In addition, if an audit establishes that Franchisee's Revenues were understated by more than 2% in any month, Quarter or Accounting Year, then Franchisee will, within 10 days after receipt of an invoice, pay Mr Brews for all costs and expenses incurred for the audit of Franchisee's Financial Records (including employee Salaries and Benefits, Travel Expenses, and audit fees).

7.5 Access to Information.
Franchisee will, at its expense, install and maintain equipment to permit Mr Brews to access and retrieve over telephone lines, the Internet or other forms of telecommunication all information Mr Brews is entitled to obtain from Franchisee under this Agreement, including all information which is stored on Franchisee's point of sale system and computers and the Revenue Reports for the Restaurant. Franchisee will install and utilize at the Franchised Location (a) the equipment and software specified in the Operations Manual to permit Mr Brews to electronically inspect, monitor and retrieve at any time all information concerning Franchisee's Restaurant, Revenues and other information contained in Franchisee's point of sale system and computers, and (b) the telephone line, modem, Internet connection or other electronic communication portal required to permit Mr Brews to access Franchisee's point of sale system and computers by telephone or the Internet at all of the times specified in the Operations Manual. Franchisee agrees and acknowledges that Mr Brews has the right to access and retrieve all information concerning Franchisee and the Restaurant that is stored on Franchisee's point of sale system and computers.

ARTICLE 8
STANDARDS REQUIRED OF FRANCHISEE

8.1 Quality and Service Standards.
Mr Brews has developed and will continue to develop uniform standards of quality, cleanliness and service applicable to all Mr Brews Taphouse® restaurants, including Franchisee's Restaurant, to protect and maintain for the benefit of Mr Brews and its franchisees the distinction, valuable goodwill and uniformity represented and symbolized by the Marks and the Mr Brews System. Franchisee agrees to maintain the uniformity and quality standards required by Mr Brews for all Foods, Beverages, and Products, and the services associated with the Marks and the Mr Brews System, and agrees to the terms and conditions contained in this Article to assure the public that all Mr Brews Taphouse® restaurants will be uniform in nature and will sell and dispense quality Foods, Beverages, and Products. Required specifications, standards and operating procedures exist to protect Mr Brews' interests in the Mr Brews System and the Marks and to create a uniform customer experience, and not for the purpose of establishing any control or duty to take control over those matters that are reserved to Franchisee.

8.2 Identification of Restaurant.
Franchisee will operate the Restaurant so that it is clearly identified and advertised as a Mr Brews Taphouse® Restaurant. The style and form of "Mr Brews Taphouse®" and the other Marks used in any advertising, marketing, public relations or promotional program must have the prior written approval of Mr Brews. Franchisee will use the name "Mr Brews Taphouse®," the approved logos and all graphics commonly associated with the Mr Brews System and the Marks on all materials in the manner prescribed by Mr Brews.

8.3 Compliance with Standards.
Franchisee will use the Marks and the Mr Brews System in strict compliance with the mandatory moral and ethical standards, quality standards, health standards, operating procedures, data security standards, and other specifications, requirements and instructions required by Mr Brews. It is understood and agreed that the mandatory standards established by this Agreement including, but not limited to, the inspection and audit rights provided in this Agreement, and the provisions of the Operations Manual are reasonable means by which Mr Brews seeks to avoid and prevent conduct which is likely to impair the value of and the goodwill associated with the Marks and the Mr Brews System being licensed under this Agreement and do not reflect any right or effort by Mr Brews to control the day-to-day operation of the Restaurant or the business decisions of Franchisee. Franchisee agrees to comply with all mandatory provisions of the Operations Manual, as they may be revised from time to time by Mr Brews in the exercise of its business judgment; provided, however, that those portions of the Operations Manual that are expressly designated as recommendations are not intended to limit or control the business decisions of Franchisee. Franchisee understands and acknowledges that over the Term it may be appropriate for Mr Brews, in the exercise of its business judgment, to adopt standards and business principles needed to maintain the reputation, legal status or competitive position of the Marks and the Mr Brews System and to reflect such details in the Operations Manual. To the extent that the Operations Manual, as it may be amended from time to time, conflicts with this Agreement, the provisions of the Operations Manual then in effect shall control. Franchisee further understands and acknowledges that due to local circumstances, Mr Brews may occasionally adopt different standards and business principles to apply to different market areas or types of Mr Brews Taphouse® restaurants.

8.4 Franchisee's Name.
Franchisee will not use the name "Mr Brews Taphouse®" or any derivative thereof in the name of the Entity that is Franchisee or in any name of an Affiliate or Controlled Entity of Franchisee in any incorporation, organization, or other legal formation documents filed with any state government or agency. Franchisee will hold itself out to the public and to its employees as an independent contractor operating an independently owned and operated Restaurant pursuant to a license from Mr Brews, using such signage and other forms of notification as prescribed by Mr Brews. Franchisee will file for a certificate of assumed name in the manner required by applicable state law to notify the public that Franchisee is operating its Restaurant as an independent contractor operating an independently owned and operated business.

8.5 Interests of Franchisee.
Franchisee will be dedicated solely to the operation of Franchisee's Restaurant(s) and will not hold any interest in, operate, or manage any other business of any kind without the prior written approval of Mr Brews.

8.6 Default Notices and Significant Correspondence.
Franchisee will deliver to Mr Brews, immediately upon receipt by Franchisee or delivery at the Franchised Location, an exact copy of all (a) notices of default received from the landlord of the Franchised Location or any mortgagee, trustee under any deed of trust, contract for deed holder, lessor, or any other party, (b) notifications or other correspondence relating to any legal proceeding for any Claim in excess of $10,000 relating in any way to Franchisee's Restaurant or to the Franchised Location, and (c) inspection reports or any other notices, warnings or citations from any Governmental Authority, including any health and safety, taxing and/or licensing authorities. Franchisee will notify Mr Brews in writing within 5 days of the commencement of any proceeding and/or of the issuance of any governmental order or action impacting Franchisee and/or the operation of the Restaurant. Within 10 days after the end of each month,

Franchisee will provide Mr Brews with a written summary of all written consumer and employee complaints. Franchisee will provide all additional information requested by Mr Brews relating to any of these matters.

8.7 Catastrophes.

If the Franchised Location is either partially or completely destroyed by fire or any catastrophe and the term of this Agreement and underlying Lease for the Franchised Location has a remaining term of at least 5 years, then Franchisee will (a) use the building insurance proceeds to repair or reconstruct the Franchised Location as set forth herein, (b) within 30 days thereafter, initiate the process to commence the repairs and reconstruction necessary to restore the Restaurant to its original condition prior to such casualty, and (c) recommence the Restaurant's business operations as soon as reasonably possible. Notwithstanding the foregoing, Franchisee will pay Mr Brews the minimum Royalty Fee of $575 per Week during the time that Franchisee's Restaurant is closed as a result of a casualty, a relocation of the Restaurant, or any other reason (or a pro-rated portion of such fee in the event the Restaurant is not closed for the entire four-Week period).

8.8 Vending and Gaming Machines; Live Music.

Franchisee will not, except with the written permission of Mr Brews, permit any jukeboxes, performances of live music, electronic games, vending machines, ATMs, newspaper racks, entertainment devices, coin- or token-operated machines, or gambling devices or kiosks to be used on the Restaurant premises and will not sell or allow employees to sell any tickets, subscriptions, chances, raffles, lottery tickets or pull tabs.

8.9 Compliance with Applicable Law.

Franchisee is responsible for the operation of its Restaurant, and will control, supervise, and manage all the employees, agents, and independent contractors who work for or with Franchisee. Mr Brews will not have any right, obligation, or responsibility to control, supervise or manage Franchisee's employees, agents, or independent contractors. Franchisee will advise its employees, agents and independent contractors of the foregoing facts, in writing, upon hiring or contracting with them, and in any employee manual or human resources materials made available to employees, agents or independent contractors. Franchisee will comply with all applicable federal, state, city, local and municipal laws, statutes, ordinances, rules and regulations pertaining to the construction or remodeling and the operation of Franchisee's Restaurant including, but not limited to: (a) health, food service, business, and liquor licensing laws; (b) health and safety regulations and laws; (c) environmental laws; and (d) employment law (including all wage and hour laws, employment laws, workers' compensation laws, discrimination laws, sexual harassment laws, disability and discrimination laws and laws and regulations governing employment of aliens); and (e) credit, charge, courtesy and cash card transactions and processing. Franchisee will, at its expense, be solely and exclusively responsible for determining the licenses and permits required by law for Franchisee's Restaurant, for obtaining and qualifying for all licenses and permits, and for compliance with all applicable laws by its employees, agents and independent contractors. Notwithstanding any rights or obligations set forth herein, no part of this Agreement shall be read to require Franchisee to engage in acts or practices that violate any law.

8.10 Tax Laws.

Franchisee will comply with all tax laws (including those relating to individual and corporate income taxes, sales and use taxes, franchise taxes, gross receipts taxes, employee withholding taxes, F.I.C.A. taxes, inventory taxes, liquor taxes, personal property taxes and real estate taxes, and federal, state and local income tax laws). Mr Brews will have no liability for any taxes

which arise or result from Franchisee's Restaurant and Franchisee will indemnify Mr Brews for any such taxes that may be assessed or levied against Mr Brews which arise out of or result from Franchisee's Restaurant. If any "franchise" or other tax which is based upon the Revenues, receipts, sales, business activities, or operation of Franchisee's Restaurant is imposed upon Mr Brews by any taxing authority, then Franchisee will reimburse Mr Brews for all such taxes paid by Mr Brews.

8.11 Other Laws.
Franchisee will comply and/or assist Mr Brews in its compliance efforts, as applicable, with any and all laws, regulations, Executive Orders or otherwise relating to anti-terrorist activities including, without limitation, the U.S. Patriot Act, Executive Order 13224, and related U.S. Treasury and/or other regulations. In connection with such compliance efforts, Franchisee will not enter into any prohibited transactions and will properly perform any currency reporting and other activities relating to the Restaurant business as may be required by Mr Brews or by law. Franchisee confirms that it is not listed in the Annex to Executive Order 13224, and agrees not to hire any person so listed or have any dealing with a person so listed. Franchisee is solely responsible for ascertaining what actions must be taken by it to comply with all such laws, orders and/or regulations, and specifically acknowledges and agrees that its indemnification responsibilities as provided in ARTICLE 24 of this Agreement pertain to its obligations hereunder.

8.12 Alcoholic Beverages.
Franchisee will stock and maintain a bar in compliance with the Operations Manual and will at all times comply with: (a) all federal, state, city, local and municipal licensing, insurance and other laws, regulations and requirements applicable to the sale of alcoholic beverages by Franchisee at the Restaurant; and (b) the liquor liability insurance requirements set forth in this Agreement or otherwise provided by Mr Brews in writing. Franchisee will cause beer to be served in glasses and vessels as may be designated by Mr Brews and will cause its Restaurant's beer taps and lines to be professionally cleaned and maintained, all in a manner consistent with the Mr Brews System, as may be further described in the Operations Manual.

8.13 Restaurant Hours; Personnel.
Franchisee's Restaurant will be open during the hours specified in the Operations Manual. During business hours, Franchisee will have Management Staff on duty responsible for supervising the Restaurant's employees and operations. Franchisee will have a sufficient number of adequately trained and competent service, kitchen and other personnel on duty to guarantee efficient service to the customers of the Restaurant. Franchisee will require its employees to meet the appearance standards and to wear the standard attire or uniforms described in the Operations Manual.

8.14 Inspection Rights.
Franchisee will permit Mr Brews or its representatives to enter, remain on, and inspect the Restaurant without prior notice. Franchisee agrees that Mr Brews may: (a) interview Franchisee's employees and customers; (b) take photographs and videotapes of the interior and exterior of the Franchised Location; (c) examine and remove samples of the Foods, Beverages, and Products and other products sold or used at Franchisee's Restaurant; and (d) evaluate the quality of the Foods, Beverages, and Products, and the services provided by Franchisee to its customers. Mr Brews will have the right to use all interviews, photographs and videotapes of Franchisee's Restaurant for such purposes as Mr Brews deems appropriate, including use in advertising, marketing and promotional materials, without any approval of or any compensation to Franchisee.

8.15 Security Interest in Franchise Agreement.
This Agreement and the Franchise granted to Franchisee hereunder may not be used by Franchisee as collateral or be the subject of a security interest, lien, levy, attachment or execution by Franchisee's creditors, any financial institution, or any other party, except with the prior written approval of Mr Brews.

8.16 Credit Cards.
Franchisee will honor all credit, charge, courtesy and cash cards approved by Mr Brews in writing. To the extent Franchisee will store, process, transmit or otherwise access or possess cardholder data in connection with the sale of the Foods, Beverages, and Products provided under this Agreement, Franchisee will maintain the security of cardholder data and adhere to the then-current Payment Card Industry Data Security Standards ("PCI DSS"), currently found at www.pcisecuritystandards.org, for the protection of cardholder data throughout the term of this Agreement. Franchisee further understands it is responsible for the security of cardholder data in the possession or control of any subcontractors it engages to perform under this Agreement. Such subcontractors must be identified to and approved by Mr Brews in writing prior to sharing cardholder data with the subcontractor. Franchisee will, if requested to do so by Mr Brews, provide appropriate documentation to Mr Brews to demonstrate compliance with applicable PCI DSS requirements by Franchisee and all identified subcontractors.

8.17 Credit Card; Gift Cards.
Franchisee will honor all debit, credit, charge, cash cards and all other types of payment cards, devices or methods approved by Mr Brews. To the extent Franchisee will store, process, transmit or otherwise access or possess cardholder data in connection with the sale of the Foods, Beverages, and Products provided under this Agreement and the operation of Franchisee's Restaurant, Franchisee will maintain the security of cardholder data and adhere to the then-current Payment Card Industry Data Security Standards ("PCI DSS"), currently found at www.pcisecuritystandards.org, and any future generally-accepted security standards for the protection of cardholder data throughout the Term. Franchisee will not create or issue any gift cards or certificates and will only sell gift cards or certificates that have been issued by Mr Brews or an Affiliate, and which are accepted at all Mr Brews Taphouse® restaurants. Franchisee will not issue coupons or discounts of any type except as approved by Mr Brews. In the event that the Restaurant closes or is otherwise abandoned, whether due to termination of this Agreement or for any other reason, Franchisee will pay Mr Brews the full amount of the Restaurant's outstanding gift card liability at the time of closing, reduced by the then-current percentage of anticipated gift card non-redemption as established by Mr Brews. Such amount will be paid together with all other Fees and amounts payable to Mr Brews in connection with Restaurant closure pursuant to this Agreement.

8.18 Guest Loyalty Programs; Coupons.
Franchisee will fully participate in all guest loyalty or frequent customer programs now or in the future adopted or approved by Mr Brews. Franchisee will not issue coupons or discounts of any type for use at its Restaurant except as approved by Mr Brews in writing, which may be withheld in its sole and absolute discretion.

8.19 Music and Music Selection.
Franchisee will play only the music and music selections that have been approved by Mr Brews as set forth in the Operations Manual or otherwise in writing. Franchisee will install the equipment necessary to receive and play the approved music.

8.20 Maintenance.
Franchisee will, at its expense, repair and maintain the Restaurant in a clean and sanitary condition consistent with Mr Brews' then-current operating standards and will replace all décor items and FF&E as they become worn-out, soiled or in disrepair. All food preparation, mechanical, service, and other equipment must be kept in good working order and repair by Franchisee. All replacement FF&E and décor items used in the Restaurant must comply with the standards and specifications in the Operations Manual.

8.21 Remodeling of Restaurant Premises.
Franchisee will make the reasonable capital expenditures necessary to extensively remodel, modernize, redecorate and renovate ("remodel" or "remodeling") Franchisee's Restaurant and to replace and modernize the FF&E so that Franchisee's Restaurant will reflect the then-current image of a Mr Brews Taphouse® restaurant and conform to Mr Brews' then-current specifications. Franchisee acknowledges and agrees that the requirements to remodel and modernize the Restaurant as set forth in this provision are reasonable and necessary to maintain uniformity among all Mr Brews Taphouse® restaurants, to update the image of Mr Brews Taphouse® restaurants and to avoid the deterioration of the appearance and operation of Franchisee's Restaurant. Franchisee will complete remodeling the Restaurant within nine months after receiving written notice from Mr Brews specifying the required remodeling. Except for repairs and maintenance, Franchisee will not be required to remodel the Restaurant, or to replace and modernize its FF&E more than once every 5 years during the Term.

8.22 Working Capital.
Franchisee will, at all times, maintain sufficient working capital to operate the Restaurant and to fulfill its obligations under this Agreement, and will take steps to ensure availability of capital to fulfill Franchisee's obligations to maintain, remodel and modernize the premises and operations of the Restaurant as required by the provisions of this Agreement.

8.23 Other Business.
Franchisee will use the Franchised Location solely for the operation of a Mr Brews Taphouse® restaurant and will not directly or indirectly operate or engage in any other business or activity from the Franchised Location. Franchisee will not participate in any dual branding program, or in any other program, promotion or business pursuant to which another trademark, service mark, trade name, or commercial symbol is used in connection with Franchisee's Restaurant or at the Franchised Location.

8.24 Conventions.
The Owners and such other persons as may be required by Mr Brews, will attend the conventions, meetings, seminars and other gatherings or group sessions (collectively, "Conventions") held by Mr Brews. The topics covered, duration, date and location of all Conventions held by Mr Brews will be at the sole discretion of Mr Brews. Franchisee will pay the registration fees, if any, established by Mr Brews for each person attending a Convention held by Mr Brews, and will also pay the Salaries and Benefits, the Travel Expenses and all other expenses incurred by the persons attending the Convention on Franchisee's behalf.

8.25 Quality Assurance Programs.
In its sole and absolute judgment, Mr Brews may hire providers of independent and secret shopping or other services to: (a) visit and evaluate food safety at the Restaurant; (b) visit and dine at Franchisee's Restaurant; (c) interview the customers of Franchisee's Restaurant by telephone, electronically, interactive voice response, or in person; (d) summarize information from customer surveys or comment cards for Franchisee's Restaurant; and (e) communicate

with customers of Franchisee's Restaurant by email or in writing, by direct contact, electronically, or interactive voice response for the purpose of evaluating: (i) the operations of Franchisee's Restaurant; (ii) the quality of the Foods, Beverages, and Products provided to customers by Franchisee's Restaurant; and (iii) whether Franchisee is in compliance with the operational and quality standards specified in the Operations Manual. Mr Brews will determine the frequency, nature and extent of the services that will be provided and the form of the reports the service providers will provide to Mr Brews. The fees charged by the service provider for evaluating Franchisee's Restaurant will be shared equally by Mr Brews and Franchisee. Mr Brews will provide Franchisee with copies of all evaluation reports prepared by the service provider for Franchisee's Restaurant and the invoices for the service evaluation. Franchisee will pay amounts invoiced by Mr Brews within 30 days after receipt. In the event Franchisee fails a food safety evaluation, and without waiving any of the rights afforded to Mr Brews herein, Franchisee must pay the full cost of any required follow-up evaluation, as well as the full cost of the original failed evaluation.

8.26 Payment of Obligations.

Franchisee will timely pay any and all of its uncontested obligations or liabilities when due and owing under this Agreement, any other contract or otherwise payable to Mr Brews, any Affiliate of Mr Brews, the Local Advertising Association, the landlord for the Franchised Location, suppliers, vendors, distributors, banks, purveyors, lessors, creditors and any federal, state, local and municipal government.

8.27 Disclosure of Franchisee Information.

Mr Brews has the right to disclose in its Franchise Disclosure Document as required by law or regulation, and to retrieve and disseminate in other documents and places, as determined by Mr Brews, any information relating to Franchisee and the Restaurant, including Franchisee's name, any address and/or telephone number(s), and the Revenues, expenses, results of operations and/or other information regarding the Restaurant utilizing the retrieval method and disseminated via the medium and in the format determined by Mr Brews, in its sole discretion. Any disclosure by Mr Brews of such information will be for reasonable business purposes, and its rights under this provision will survive the Assignment, termination or expiration of this Agreement.

ARTICLE 9
FOODS, BEVERAGES AND PRODUCTS

9.1 Limitations on Foods, Beverages, and Products.

Franchisee will only sell the Foods, Beverages, and Products specified in writing by Mr Brews or in the Operations Manual and will offer and sell all of the Foods, Beverages, and Products specified by Mr Brews in writing or in the Operations Manual. Franchisee will maintain sufficient inventories to realize the full potential of the Restaurant and will conform to all customer service standards prescribed by Mr Brews in writing. Franchisee will set the retail price of Foods, Beverages, and Products sold at the Restaurant; provided, however, that Mr Brews may exercise all rights with respect to retail price available to it under applicable law including, but not limited to, setting maximum prices for items sold at the Restaurant. Franchisee will only sell the Foods, Beverages, and Products on a retail eat-in or take-out basis and will not offer or sell the Foods, Beverages, and Products: (a) on a wholesale or retail basis at any other location; (b) by means of the Internet, catalogue or mail order sales, or telemarketing; and (c) by any other method distribution.

9.2 Catering and Delivery.
Franchisee will not, without the prior written consent of Mr Brews, offer or provide delivery, or enter into arrangements for third party delivery, whether for a fee or not, of any Foods, Beverages, and Products offered for sale by Franchisee's Restaurant.

9.3 Approved Suppliers.
Franchisee will purchase the Foods, Beverages, and Products which will be used or sold by Franchisee at its Restaurant only from Approved Suppliers. Certain Foods, Beverages, and Products may only be available from one source, and Mr Brews or an Affiliate may be that source. Franchisee will pay the then-current price in effect for all purchases Franchisee makes from Mr Brews or an Affiliate. Except for purchases of single-source Foods, Beverages, and Products and instances where Mr Brews has made volume commitments on behalf of franchisees that may be compromised, Franchisee will have the right to purchase the Foods, Beverages, and Products from other suppliers provided they conform to Mr Brews standards and specifications and Mr Brews determines, in the exercise of its business judgment, that the supplier's or distributor's business reputation, quality standards, delivery performance, credit rating, and other factors are acceptable and that approval of such supplier or distributor will not have a negative effect on the economical and efficient operation of the network of Mr Brews Taphouse® restaurants or the Mr Brews System. If Franchisee desires to purchase any Foods, Beverages, and Products from other suppliers, then Franchisee must, at its expense, submit samples, specifications, and product information requested by Mr Brews, for review and testing to determine whether these Foods, Beverages, and Products comply with Mr Brews' standards and specifications. Mr Brews will also have the right to inspect the facilities of the proposed supplier, and Franchisee will reimburse Mr Brews for the costs and expenses incurred to conduct the inspection and the review of the supplier and the product(s) reviewed. Mr Brews will complete all product testing and notify Franchisee of its determination within 90 days after being provided with adequate samples, specifications and all other requested product information. The written approval of Mr Brews must be obtained before any previously unapproved Foods, Beverages, and Products are sold or used by Franchisee.

9.4 Designated Suppliers.
Franchisee will purchase from Designated Suppliers the Foods, Beverages, and Products designated in writing by Mr Brews which are to be used or sold by the Restaurant and which Mr Brews determines must meet the standards of quality and uniformity required to protect the valuable goodwill and uniformity symbolized by and associated with the Marks and the Mr Brews System. In addition, Franchisee will purchase and use in its Restaurant operations all of the brand name products specified by Mr Brews in the Operations Manual.

9.5 Branding of Foods, Beverages or Products.
Franchisee will not have the right to: (a) use or display the Marks on or in connection with any foods, beverages or products that have not been approved by Mr Brews; (b) acquire, develop or manufacture any food, beverage or product using the name "Mr Brews Taphouse®" or any of the Marks, or direct any other person or Entity to do so; (c) acquire, develop or manufacture any Foods, Beverages or Products that have been developed or manufactured by or for Mr Brews for use in conjunction with the operations of the Restaurant and which are sold under any of the Marks, or direct any other person or Entity to do so; or (d) use, have access to, or have any rights to any proprietary formulas, ingredients, or recipes for any Foods, Beverages or Products created by or at the direction of Mr Brews and sold under any of the Marks.

9.6 Purchasing Cooperative.
Mr Brews may require that Franchisee join and make required purchases/leases through a purchasing cooperative or other Entity designated by Mr Brews. Such Entity may adopt its own by-laws, rules, regulations and procedures, subject to Mr Brews' prior approval. Franchisee's failure to timely pay amounts due to, or comply with the by-laws, rules, regulations and procedures of such cooperative is a breach of this Agreement. Mr Brews will have the right to offset against amounts Mr Brews owes to Franchisee the amount of Franchisee's unpaid cooperative obligations.

9.7 Payments to Suppliers.
Franchisee will timely pay when due and owing any and all of its uncontested obligations or liabilities for purchases made by Franchisee from Designated Suppliers, Approved Suppliers, Mr Brews, any Affiliate of Mr Brews, and/or other suppliers, vendors and distributors ("Suppliers") for the Foods, Beverages, and Products, or other items, goods, products, merchandise or services for the Restaurant. Franchisee agrees and acknowledges that Mr Brews has the right to require that information be provided by Franchisee's Suppliers to Mr Brews regarding the purchases and payments made by Franchisee to Suppliers and/or the status of Franchisee's accounts with its Suppliers, and Franchisee hereby authorizes Mr Brews to direct Franchisee's Suppliers to promptly provide Mr Brews with the information and documents, including order forms and invoices, requested by Mr Brews. Franchisee's Suppliers will accept this Agreement as evidence of the right of Mr Brews to require that it be provided with information and documents regarding Franchisee's accounts with its Suppliers, and this Agreement will constitute the authority from Franchisee for Franchisee's Suppliers to provide such information and documents to Mr Brews.

9.8 Payments by Suppliers.
Franchisee acknowledges that Mr Brews and/or its Affiliates will have the right to receive commissions, volume discounts, purchase discounts, performance payments, bonuses, rebates, marketing and advertising allowances, co-op advertising, administrative fees, enhancements, price discounts, economic benefits and other payments ("Payments") based upon the actual purchases of the Foods, Beverages, and Products by Mr Brews, its Affiliates, and franchisees from Suppliers. Any Payments made to Mr Brews will become the property of Mr Brews for use as determined by Mr Brews.

ARTICLE 10
CONFIDENTIAL OPERATIONS MANUAL; CONFIDENTIAL INFORMATION

10.1 Compliance with Operations Manual.
Mr Brews will provide Franchisee with access to the Operations Manual, which may be provided electronically or online. The purpose of the Operations Manual is to protect the Marks and the Mr Brews System, and not for the purpose of exercising control over those duties and responsibilities reserved to Franchisee. Franchisee will conform to the common image and identity created by the Foods, Beverages, and Products, music, recipes, ingredients, cooking techniques and processes, cleanliness, sanitation, and services associated with Mr Brews Taphouse® restaurants which are portrayed and described by the Operations Manual. Franchisee will modify the operations of the Restaurant to implement all mandatory changes, additions and supplements made by Mr Brews to the Mr Brews System which are reflected by the Operations Manual as promptly as reasonably possible. Franchisee will not use the Operations Manual or any information contained therein for any purpose other than the operation of Franchisee's Restaurant. Franchisee acknowledges receiving access to one copy of the Operations Manual from Mr Brews.

10.2 Revisions to Operations Manual.

The Operations Manual will at all times remain the sole and exclusive property of Mr Brews. Mr Brews may, from time to time, revise and update the Operations Manual to address changes or improvements to the Mr Brews System, and Franchisee expressly agrees to operate its Restaurant in accordance with all such revisions to mandatory provisions of the Operations Manual. Franchisee is responsible for having access to the most current version of the Operations Manual, and in the event of any dispute regarding the Operations Manual, the terms of the master copy of the Operations Manual maintained by Mr Brews will be controlling in all respects. Mr Brews will have the option of providing the revisions and updates to the Operations Manual to Franchisee via any reasonable method, including electronically.

10.3 Trade Secrets.

Franchisee understands and agrees that he/she will come into possession of certain of Mr Brews' trade secrets concerning the manner in which it conducts business including, but not necessarily limited to: recipes and formulas; methods of doing business or business processes; strategic business plans; customer lists and information; marketing and promotional campaigns; software; and Mr Brews' materials clearly marked or labeled as trade secrets. Franchisee agrees that the foregoing information, which may or may not be considered "trade secrets" under prevailing judicial interpretations or statutes, is private, valuable, and constitutes trade secrets belonging to Mr Brews. Franchisee agrees that Mr Brews derives independent economic value from the foregoing information not being generally known to, and not being readily ascertainable through proper means by, another person. As described in Section 31.9, Mr Brews' trade secrets are part of the "Confidential Information."

10.4 Confidential Information.

Mr Brews and Franchisee expressly understand and agree that Mr Brews will be disclosing and providing Franchisee and its employees and agents with Confidential Information. Franchisee and its employees and agents will not, during the term of this Agreement or thereafter, reveal, communicate, sell, use, employ, copy, reverse engineer, lecture upon, rewrite, reproduce, disseminate, publish, disclose, or divulge any Confidential Information of Mr Brews, or any abstracts thereof, to any person or Entity except as expressly authorized by this Agreement or by Mr Brews in writing. Franchisee will only disclose or provide Mr Brews' Confidential Information to its employees who must have access to it to properly execute their job functions and to operate Franchisee's Restaurant. Notwithstanding any other provision of this Agreement to the contrary, there may be certain instances where applicable law allows for the disclosure of certain Confidential Information, including trade secrets, under limited circumstances as specified in the Operations Manual or otherwise in writing by Mr Brews. All Confidential Information is and will remain the sole and absolute property of Mr Brews and Franchisee will have no rights or interests in any Confidential Information, except the right to use the Confidential Information in the operations of the Restaurant as provided in this Agreement. Any additions, changes, modifications and/or improvements made to any of Mr Brews' Confidential Information by Franchisee or its employees and agents will be the sole and exclusive property of Mr Brews.

10.5 Confidentiality of Operations Manual.

Franchisee will treat the Operations Manual and any other manuals created for or approved for use in the operation of Franchisee's Restaurant as Confidential Information. Franchisee will use all reasonable means to keep the contents of the Operations Manual secret and will only grant access to the Operations Manual to those employees who must use the Operations Manual in the performance of their employment duties in Franchisee's Restaurant.

10.6 Confidentiality Agreements; Noncompetition Agreements for Management Staff.
Franchisee's Owners, the Management Staff and all of Franchisee's employees who have access to the Operations Manual or any Confidential Information must sign agreements in the form prepared by Franchisee's legal counsel and satisfactory to Mr Brews agreeing to maintain the confidentiality, during the course of their employment and thereafter, of all Confidential Information of Mr Brews. In addition, each member of Franchisee's Management Staff must sign a noncompetition agreement at the time of employment prepared by legal counsel retained by Franchisee in a form that is satisfactory to Mr Brews. Franchisee will be responsible for the enforcement of the confidentiality and noncompetition agreements, and the legal fees, costs and expenses associated with such enforcement.

ARTICLE 11
SITE SELECTION; CONSTRUCTION; SIGNS

11.1 Site Selection; Purchase or Lease of Site.
Franchisee is solely responsible for selecting the site of the Franchised Location for Franchisee's Restaurant. Mr Brews recommends that Franchisee retain an experienced commercial real estate broker or salesperson and an experienced attorney to provide advice and counsel on Franchisee's business and the terms, conditions, and economics of the legal and other documents required to lease or purchase the site. Franchisee must provide Mr Brews with a copy of the proposed Lease for the site selected by Franchisee at least 15 days before the date the Lease is to be signed. Mr Brews' review of the Lease will be only to determine whether the terms of the Lease comply with the terms and conditions of this Agreement, and not to provide any business, economic, legal or real estate advice or analysis. Franchisee will be solely responsible for all terms of the Lease, including the enforceability, economics and legality of all provisions in the Lease. The enforceability of the Lease must be conditioned upon the approval of Franchisee by Mr Brews and the enforceability of this Agreement. Franchisee will not sign the Lease until this Agreement has been signed by both Franchisee and Mr Brews and the Lease contains the terms required under this Article. The Lease will include the Lease Addendum attached hereto as Exhibit C, containing provisions confirming the right, but not the obligation, of Mr Brews to enter the premises of the Franchised Location to conduct inspections during regular business hours, and the right, but not the obligation, of Mr Brews to assume, or cause another franchisee to assume, the Lease in the event Franchisee's right to operate a Mr Brews Taphouse® restaurant is terminated, and other provisions specified by Mr Brews for the purpose of promoting conformity and continuity of the Franchised Location as a part of the Mr Brews System. Franchisee agrees and acknowledges that Mr Brews has the right to request that Franchisee's landlord promptly deliver to Mr Brews, or such other party as Mr Brews may designate: (a) written confirmation: (i) that the Lease is in full force and effect without modification or amendment, and (ii) that Franchisee is not in default under the terms of the Lease, and/or (b) such other information, documents, confirmations and/or certifications regarding the Lease as may be reasonably requested by Mr Brews.

11.2 Site Release.
Selection of the site of Franchisee's Restaurant is solely Franchisee's responsibility. Mr Brews has no duty or obligation to assist Franchisee in the selection of a site for the Franchised Location, or in the purchase or lease of the Franchised Location, and has no obligation or duty to Franchisee regarding the site selected by Franchisee. To the extent Mr Brews provides information, assistance or advice in such matters, it is agreed that Mr Brews has no liability of any kind whatsoever with respect to such information, assistance or advice. *Franchisee releases Mr Brews and its current and former officers, directors, Owners, agents and employees, in their corporate and individual capacities, from any and all Claims by Franchisee*

arising from, in connection with, or as a result of Franchisee's purchase or lease of the site selected by Franchisee for the Franchised Location, whether such Claims arise before or after the execution of this Agreement.

11.3 Standard Plans and Specifications.
Mr Brews will, at its expense, provide Franchisee with a set of the plans and specifications for an existing Mr Brews Taphouse® restaurant. Franchisee acknowledges that unique aspects of each real estate site may require significant modifications to the standard plans. Consequently, Franchisee will, at its cost, retain a licensed architect and will be responsible for the preparation of working drawings and construction and architectural plans and specifications for Franchisee's Restaurant. Franchisee will be responsible for the accuracy of all drawings, plans and specifications for its Restaurant. Mr Brews reserves the right to require Franchisee to use a Designated Supplier or Approved Supplier in connection with the design, engineering, or construction management of the development of Franchisee's Restaurant.

11.4 Compliance with Specifications and Standards.
The Franchised Location and Franchisee's Restaurant will conform to all standards, specifications and other requirements (the "Design Standards") established by Mr Brews for the design, decoration, layout, FF&E and other items of the Restaurant. Any changes or modifications to the Design Standards must be submitted to Mr Brews for its prior approval. Compliance with the Design Standards does not release Franchisee from its obligation to ensure that the Restaurant is designed and constructed in compliance with all federal, state, and local laws including, without limitation, the Americans with Disabilities Act. Franchisee will purchase and install the FF&E specified in the Operations Manual or otherwise in writing by Mr Brews for Franchisee's Restaurant in compliance with the Design Standards.

11.5 Construction Costs.
Franchisee will retain a licensed contractor for the construction or renovation of Franchisee's Restaurant. Franchisee will be solely responsible for all costs and expenses incurred for the construction or renovation of Franchisee's Restaurant at the Franchised Location including, but not limited to, all costs for architectural plans and specifications, all modifications to the plans and specifications necessitated by the structure, construction or layout of the Franchised Location, building permits, site preparation, demolition, construction of the parking lot, landscaping, heating, ventilation and air conditioning, interior décor and decorations, FF&E, leasehold improvements, labor, architectural and engineering fees, electricians, plumbers, general contractors and subcontractors.

11.6 Inspection.
Franchisee will be solely responsible for inspections during construction or renovation to confirm that the Franchised Location is being constructed or renovated in a workmanlike manner and according to the specifications established by Mr Brews. Franchisee will be solely responsible for complying with all federal, state and local laws, ordinances, statutes and building codes, and for acquiring all licenses and building and other permits required by law in connection with the construction or renovation of Franchisee's Restaurant at the Franchised Location. Mr Brews will have no responsibility to Franchisee or any other party if the Restaurant is not constructed or renovated by Franchisee or its architect or contractor: (a) according to the specifications established by Mr Brews; (b) in compliance with all applicable federal, state or local laws or ordinances; or (c) in a workmanlike manner. Franchisee will not open the Restaurant for business without the prior written approval of Mr Brews.

11.7 Approved Signs.

All exterior and interior signs at the Franchised Location (the "Signs") must comply with the standard sign plans and specifications established by Mr Brews and provided to Franchisee and must be purchased from an Approved Supplier. Franchisee will, at its expense, prepare or cause the preparation of complete and detailed plans and specifications for the Signs and will submit them to Mr Brews for written approval. Mr Brews will have the absolute right to inspect, examine, videotape and photograph the Signs during the term of this Agreement. Franchisee will be responsible for any and all installation costs, sign costs, architectural fees, engineering costs, construction costs, permits, licenses, repairs, maintenance, utilities, insurance, taxes, assessments and levies in connection with the construction, erection, maintenance or use of the Signs including, if applicable, all electrical work, construction of the base and foundation, relocation of power lines and all required soil preparation work. Franchisee will comply with all federal, state and local laws, regulations, building codes and ordinances relating to the construction, erection, maintenance and use of the Signs. Franchisee may not alter, remove, change, modify, or redesign the Signs unless approved by Mr Brews in writing. Mr Brews will have the right to redesign the specifications for the Signs without the approval or consent of Franchisee. Within 90 days after receipt of written notice from Mr Brews, Franchisee will, at its expense, either modify or replace the Signs so that the Signs displayed at the Franchised Location will comply with the new specifications. Franchisee will not be required to modify or replace the Signs more than once every 5 years from the date of this Agreement.

11.8 Ownership of Franchised Location.

If Franchisee, any of the Owners, or an Entity owned by Franchisee and/or any of the Owners, owns, leases or otherwise controls the Franchised Location, including the land, building and related real estate, or if Franchisee, any of Franchisee's Owners, or an Entity owned by Franchisee and/or any of the Owners owns 50.1% or more of an Entity that owns, leases or otherwise controls the Franchised Location, then Franchisee will, as the lessee, enter into a Lease for the Franchised Location for a term coextensive with the term of this Agreement containing terms and conditions that are commercially reasonable and substantially similar to a commercial lease that would be executed by unrelated parties in an arm's length transaction for similarly situated real estate. The Lease will be deemed to be a Major Asset of Franchisee. This provision will not apply if Franchisee owns the Franchised Location, and the Franchised Location is reflected as an asset on Franchisee's Financial Statements, in which event, the Franchised Location will be deemed a Major Asset of Franchisee.

11.9 Relocation.

Provided Franchisee is not in default of this Agreement, Franchisee may, at its sole expense and with the prior written approval of Mr Brews, be authorized by Mr Brews to relocate the Franchised Location if: (a) the proposed new location is located in Franchisee's original Designated Area, as defined in the Addendum to this Agreement when this Agreement was signed by the parties; (b) the proposed new location meets Mr Brews' site selection criteria and other requirements as set forth in this Agreement; and (c) Franchisee's new Designated Area, as defined in the Addendum to this Agreement based upon the proposed new location, does not infringe upon (i) the market area of any existing or proposed Mr Brews Restaurant or any other restaurant owned or operated by Mr Brews or any of its Affiliates; or (ii) any designated area granted to any other developer, area developer, franchisee, master franchisee or subfranchisee of Mr Brews Restaurants. The new location of the Restaurant, including the real estate and the building, must comply with Mr Brews then-current image, décor, standards and specifications. Franchisee will pay Mr Brews a Relocation Fee of $5,000 on the date Mr Brews approves Franchisee's right to relocate to the new location.

ARTICLE 12
EQUIPMENT; COMPUTER HARDWARE AND SOFTWARE

12.1 Communications Equipment; Telephone Lines.
Franchisee will, at its sole expense, obtain and maintain the dedicated telephone lines, high speed Internet connections, facsimile ("fax") equipment, and other communication and transmission equipment and systems for Franchisee's Restaurant as are specified in the Operations Manual or otherwise in writing. Franchisee will install and maintain telephone answering systems and other telephonic devices at the Restaurant, and will operate all communication and transmission systems and devices as specified by Mr Brews in the Operations Manual or otherwise in writing.

12.2 Computer Hardware and Software; Point-of-Sale System.
Franchisee will, at its sole expense, lease, license or purchase the computer hardware, computer software, peripheral devices and point-of-sale, cash register and operating systems (the "Computers and Software") that meet the standards, specifications and requirements established by Mr Brews as set forth in the Operations Manual or otherwise in writing. Franchisee will, upon written notice from Mr Brews, modify, upgrade, and update the Computers and Software, at its sole expense, to the standards, specifications and requirements specified in the Operations Manual or otherwise provided in writing by Mr Brews. Franchisee's Computers and Software will be configured to provide Mr Brews with direct electronic access to Franchisee's Computers and Software, and databases to upload the data, financial information and other information Franchisee is required to provide to Mr Brews pursuant to this Agreement or the Operations Manual, including Revenues, and by category, direct labor costs and food costs. Franchisee will, upon written notice from Mr Brews, modify, enhance, update and upgrade the Computers and Software, at its sole expense, to the standards, specifications and requirements specified in the Operations Manual or otherwise in writing by Mr Brews. Franchisee will be responsible for protecting itself from disruptions, Internet access failures, Internet content failures, and attacks by hackers and other unauthorized intruders, and Franchisee waives any and all Claims against Mr Brews as the direct or indirect result of such disruptions, failures and attacks.

12.3 Internet Provider; Email Address.
Franchisee will, at Franchisee's expense, have access to the Internet/World Wide Web (the "Internet"). Mr Brews will provide Franchisee and its Management Staff with email addresses, which will be the exclusive email address through which Franchisee and Mr Brews will communicate. Franchisee will not, and will not permit its Management Staff and other employees to, create or use any email addresses or handles for the purpose of conducting the Restaurant's business.

12.4 Mr Brews Website.
Mr Brews will establish and maintain a website (the "Mr Brews Website") to advertise and promote the Mr Brews Taphouse® restaurants, including Franchisee's Restaurant. All features of the Mr Brews Website, including the domain name, content, features, format, procedures and links to other websites, will be determined by Mr Brews, in its sole discretion. Mr Brews will have the right to modify, enhance, suspend or temporarily or permanently discontinue the Mr Brews Website at any time, in its sole discretion. Franchisee will not have the right to establish an email address, website, or other presence on the Internet to advertise or promote its Restaurant or to otherwise use the Marks. As of the date of this Agreement, Mr Brews provides Franchisee with access to the local restaurant template page (the "Subpage") on Mr Brews' public website (www.mrbrewstaphouse.com). Franchisee will be required to maintain its own

content and information on the Subpage consistent with the standards and specifications that Mr Brews may set forth in the Operations Manual or otherwise. Mr Brews and its Affiliates will have the sole right to promote on the Internet the Foods, Beverages, and Products offered by Franchisee's Restaurant, to create a website containing the "Mr Brews Taphouse®" name and the Marks, and to use "mrbrewstaphouse" or any derivative or related domain name. There is no initial cost to Franchisee for the Mr Brews Website. However, Mr Brews reserves the right, after giving Franchisee at least 30 days' prior written notice, to charge Franchisee a fee for the costs associated with the maintenance or enhancement of the Mr Brews Website. Franchisee's Restaurant will be removed from the Mr Brews Website immediately upon the termination or expiration of this Agreement.

12.5 Social Networking.

Franchisee and its Executive Management, Management Staff, employees and agents will not have the right to use any of the Marks or other intellectual property of Mr Brews on any social network, social media or online community on the Internet or any other online, digital or electronic medium including, but not limited to, any "blog," YouTube, Facebook, Myspace, Wikipedia, professional networks like Linked-In, live-blogging and micro-blogging tools like Twitter, virtual worlds, file, audio and video sharing sites, and other similar social networking media or tools now or hereafter in existence ("Online and Social Media"), except with the prior written permission of Mr Brews. Franchisee and its Executive Management, Management Staff, employees and agents will comply with all of Mr Brews' policies, standards and procedures for use of any Online and Social Media that in any way references the Marks or involves the Restaurant. Mr Brews may require Franchisee to set up accounts, pages or similarly participate in Online and Social Media, and may require that Mr Brews be given administrative privileges for such accounts and pages. Mr Brews may require that Franchisee post appropriate content to such accounts and pages and Franchisee will be permitted to do so independently.

12.6 Artificial Intelligence.

Franchisee will not, without Mr Brew's prior written consent, utilize any generative artificial intelligence software, tools, or technologies, including, natural language processing, deep learning algorithms, or machine learning models ("Generative AI") directly or indirectly in the operation of the Restaurant, including without limitation, in advertising, promotion, or marketing of the Restaurant or the franchised business, communications with customers, business planning, analysis or optimization, or in any social media. Franchisee acknowledges and agrees not to upload or share any Confidential Information (including any inputs of information containing trade secrets, sensitive confidential information or personal information) with any unapproved third-party platforms, including Generative AI, except as authorized in writing by Mr Brews. In addition, Franchisee shall prohibit its employees from using any Confidential Information in Generative AI. In the event Franchisee utilizes any Generative AI, with or without prior approval from Mr Brews, Franchisee shall comply with all laws applicable to such use, including without limitation, all trademark, copyright, and biometric laws, and shall not infringe upon the intellectual property of a third party, or use such intellectual property without appropriate authorization and attribution.

12.7 Customer Data

(a) Franchisee acknowledges and agrees that Mr Brews controls the use of all data that Franchisee collects from customers and potential customers in connection with the Restaurant ("Customer Data"). Franchisee will only use the Customer Data as a processor as necessary to operate the Restaurant for the term of this Agreement, unless Franchisee obtains

Mr Brews' prior written approval. Franchisee agrees that it has no right to sell, transfer, sublicense or otherwise share Customer Data to or with any third party, unless Franchisee obtains Mr Brews' prior written approval. Franchisee agrees to comply with all directives and terms in the Manuals respecting Franchisee's use of the Customer Data. Mr Brews may access the Customer Data on Franchisee's Computers and Software, and at the Restaurant. Franchisee agrees to allow Mr Brews to audit Franchisee's records to confirm compliance with these provisions. Franchisee must provide Mr Brews usernames and passwords to access the Franchisee's Computers and Software. Franchisee is solely responsible for protecting Customer Data from cyber-attacks or unauthorized access, and Franchisee waives any claim it may have against Mr Brews as the direct or indirect result of such attacks or unauthorized access. In addition, Franchisee must comply with any data protection and breach response policies Mr Brews periodically establishes and must not use or disclose Customer Data in a manner that would cause Mr Brews to be in violation of our published privacy policy. Franchisee shall notify Mr Brews immediately of any actual or suspected data breach or cyber-attack at or in connection with the Restaurant and/or Customer Data.

(b) Each party is an independent data controller of, or, if applicable, a business in relation to, the personal data or information relation to the other party's employees, contractors and/or executive it collects and processes and each party will comply with all applicable laws and regulations in relation to the same. The parties will enter into a separate data sharing agreement or processing agreement to the extent and as required by applicable law.

12.8 Privacy Laws.

Franchisee agrees to abide by all applicable laws pertaining to the privacy of consumer, employee, and transactional information ("Privacy Laws"). Franchisee agrees to comply with Mr Brews's standards and policies pertaining to Privacy Laws. If there is a conflict between Mr Brews's standards and policies pertaining to Privacy Laws and actual applicable law, Franchisee shall: (i) comply with the requirements of applicable law; (ii) immediately give Mr Brews written notice of said conflict; and (iii) promptly and fully cooperate with Mr Brews and its counsel in determining the most effective way, if possible, to meet its standards and policies pertaining to Privacy Laws within the bounds of applicable law. Franchisee agrees not to publish, disseminate, implement, revise, or rescind a data privacy policy without Mr Brews' prior written consent as to said policy.

ARTICLE 13
TRAINING; OPENING ASSISTANCE

13.1 Initial Training.

To educate, familiarize and acquaint Franchisee and its Management Staff with the Mr Brews System and the operations of a Mr Brews Taphouse® restaurant, Mr Brews will provide an initial training program for Franchisee and the Management Staff at a Mr Brews Taphouse® restaurant in or near Menomonee Falls, Wisconsin or at another location designated by Mr Brews in writing (the "Training Program"). The Training Program will include instruction on basic business procedures, equipment operation and maintenance, hiring and training of employees, computer operations, advertising and promotion, purchasing procedures, food preparation and presentation, liquor service, inventory and cost controls, customer service, and other topics selected by Mr Brews. The Training Program for Franchisee and its Management Staff will be scheduled by Mr Brews in its sole discretion and will be for approximately 15 days (which need not be consecutive). Franchisee and the Management Staff must begin the Training Program at least 60 days prior to the Required Opening Date. Each member of the Management Staff must

attend and successfully complete the Training Program and be certified in writing by Mr Brews at least 30 days prior to the actual opening of Franchisee's Restaurant. Any member of the Management Staff who does not successfully complete the required Training Program will not be permitted to participate in the operations of Franchisee's Restaurant. Unless additional training is required by Mr Brews pursuant to Article 13.4 of this Agreement, Franchisee will not be required to pay Mr Brews any training or other fees for the Training Program provided to Franchisee and Franchisee's Management Staff pursuant to this Article 13.1.

13.2 Changes in Personnel After Initial Opening.
All new members of Franchisee's Management Staff hired after the initial opening of the Restaurant must attend the training program prescribed by Mr Brews in the Operations Manual within 14 days after being hired or promoted by Franchisee. If any member of the Management Staff fails to successfully complete the required training program within 60 days after the date of hiring, then Franchisee will not permit that employee to continue to participate in the operation of Franchisee's Restaurant.

13.3 Required Training of New Personnel.
The initial training program for new members of the Management Staff hired after the opening of the Restaurant will be conducted in or near Madison, Wisconsin, or at another location designated by Mr Brews. Franchisee will be required to pay the Per Diem Training Fee charged by Mr Brews for each new Management Staff members trained by Mr Brews after the opening of the Restaurant. If Mr Brews, at its option, provides the initial training program, or any portion of the initial training program, for any Management Staff member at the Franchised Location (rather than at Mr Brews' designated training location), then Franchisee will, within 10 days after receipt of an invoice indicating the amount owed, pay Mr Brews: (a) the Per Diem Training Fee for each trainer; and (b) for all Travel Expenses incurred by each trainer.

13.4 Additional Training.
Franchisee, Franchisee's Management Staff and other employees of Franchisee may be required by Mr Brews to attend, at Franchisee's expense, additional training on the dates scheduled by Mr Brews at the Franchised Location, or another location designated by Mr Brews, on topics to be determined by Mr Brews if Franchisee's Restaurant fails to meet certain performance standards established by Mr Brews or Mr Brews otherwise determines, in its sole discretion, that additional training is necessary or required. Franchisee may also request that one or more members of Franchisee's Management Staff undergo additional training on the dates scheduled by Mr Brews, at Franchisee's cost. Whether the additional training is required by Mr Brews or requested by Franchisee, Franchisee will pay the Per Diem Training Fee for each member of the Management Staff trained, and will reimburse Mr Brews for the Travel Expenses of its trainers.

13.5 Payment of Salaries and Expenses.
Franchisee will pay all Travel Expenses and the Salaries and Benefits for all employees of Franchisee who attend any Mr Brews training program on behalf of Franchisee.

13.6 Opening Assistance.
Mr Brews will provide an opening assistance team consisting of at least four trainers and one senior member of Mr Brews franchise development team (the "Opening Team") to assist Franchisee with (a) implementing the Mr Brews System at Franchisee's Restaurant, and (b) training Franchisee's staff and kitchen employees. Members of the Opening Team will be present at Franchisee's Restaurant for at least 9 days. If any member of the Opening Team is required to remain at the Restaurant for more than 9 days, as determined in Mr Brews' sole

discretion, Franchisee will pay Mr Brews the Per Diem Training Fee and the additional Travel Expenses for each additional day of on-site opening assistance provided by each member of the Opening Team within 10 days after receipt of an invoice from Mr Brews indicating the amount owed. If this Agreement is signed pursuant to an Area Development Agreement between Mr Brews and Franchisee (or a Controlled Entity, as defined in the Area Development Agreement) which specifies different requirements for the Opening Team and the opening assistance provided by Mr Brews, then the terms of the Area Development Agreement will control.

13.7 Release and Indemnification.

Franchisee and its Owners hereby waive any right to sue for Damages or other relief, and release all known and unknown Claims they may allegedly have against Mr Brews and/or any of its Affiliates and their current and former employees, agents, officers and directors, arising out of the adequacy or accuracy of the information provided at or any activities occurring during any training program, additional training and/or opening assistance (collectively referred to as "Training" in this provision), or any harm or injury any attendee or participant suffers during and as a result of his/her attendance at or participation in the Training. Franchisee and the Owners agree to hold Mr Brews, its Affiliates and their current and former employees, agents, officers and directors harmless for any Claims and/or Damages incurred by Franchisee, the Owners or any Affiliates, employees, agents, officers and directors arising out of, in any way connected with or as a result of attendance at or participation in the Training. Franchisee, the Owners and all persons who attend and participate in the Training on behalf of Franchisee will sign the documentation required by Mr Brews or an Affiliate as a condition to their attendance at, participation in and successful completion of the Training.

ARTICLE 14
INSURANCE

14.1 General Liability Insurance.

Franchisee will purchase and maintain, at its sole cost, a commercial comprehensive general liability insurance policy with coverage amounts as specified in Mr Brews' Operations Manual. As of the date of this Agreement, required coverage must be at least $1,000,000 per occurrence and $3,000,000 aggregate coverage, insuring Franchisee and its officers, directors, agents, and employees from loss, liability, claim, damage or expense, including bodily injury, personal injury, food poisoning or other sickness, death, property damage, products liability, and other legal liability, resulting from the condition, operation, use, business, or occupancy of Franchisee's Restaurant and the Franchised Location, including the surrounding premises, the parking area, and the sidewalks.

14.2 Liquor Liability Insurance.

Franchisee will procure and maintain in full force and effect, at its sole cost and expense, liquor liability insurance with coverage of at least $1,000,000 per occurrence insuring Franchisee, Mr Brews and their respective Executive Management, agents and employees from any and all Claims and Damages of any kind whatsoever, including bodily injury, personal injury, death, property damage and all other occurrences, resulting from the sale or service of liquor by Franchisee or any of Franchisee's employees in connection with Franchisee's Restaurant.

14.3 Automobile Liability Insurance.

Franchisee will procure and maintain in full force and effect, at its sole cost and expense, automobile liability insurance with coverage of at least $500,000 per occurrence insuring Franchisee, Mr Brews and their respective Executive Management, agents and employees from

any and all Claims and Damages of any kind whatsoever resulting from the use, operation or maintenance of all automobiles or vehicles owned by Franchisee or used by Franchisee or any of Franchisee's employees (including automobiles owned or leased by any employee of Franchisee) in connection with Franchisee's Restaurant, including the catering and delivery services provided by Franchisee's Restaurant.

14.4 Property Insurance.

Franchisee will procure and maintain in full force and effect, at its sole cost and expense, "all risks" property insurance coverage, which will include fire and extended coverage and, if applicable based upon the location of the Franchised Location, wind, hurricane, flood and/or earthquake coverage, for the FF&E and other property owned or leased by Franchisee and used by Franchisee at the Franchised Location. Franchisee's property insurance policy (including fire and extended coverage) must have coverage limits equal to at least actual "replacement" cost of the FF&E and the other property of Franchisee used in the business operations of the Restaurant.

14.5 Business Interruption Insurance.

Franchisee will procure and maintain, at its sole cost and expense, business interruption insurance insuring Franchisee for the "Actual Loss Sustained" for a minimum of 12 months from the date of any interruption in the operation of Franchisee's Restaurant until at least 60 days after the Restaurant reopens for business. If "Actual Loss Sustained" coverage is not available to Franchisee, then Franchisee will procure and maintain, at its expense, business interruption insurance in an amount equal to at least 90% of Franchisee's Revenues for a minimum of 12 months, less non-continuing expenses.

14.6 Building Insurance.

If Franchisee, or any of Franchisee's Owners, owns, either directly or indirectly, the building or the business premises at the Franchised Location, then Franchisee will insure the building or the business premises for and against all risk, loss and damages in an amount equal to at least actual "replacement" cost. If the Franchised Location is either partially or completely destroyed by fire or any other catastrophe, then Franchisee will use the insurance proceeds to repair or reconstruct the Franchised Location and recommence business as soon as reasonably possible.

14.7 Employment Practices Liability Insurance.

Franchisee will procure and maintain, at its sole cost and expense, employment practices liability insurance coverage of at least $1,000,000 per occurrence insuring Franchisee and Franchisee's employees for employment-related Claims and Damages.

14.8 Vendor Insurance.

(a) General Liability Insurance. Franchisee will require each supplier and independent contractor ("supplier") to procure and maintain in full force and effect, at their sole cost and expense, a general liability insurance policy with coverage of at least $1,000,000 per occurrence insuring the supplier and Franchisee, Mr Brews and their respective Executive Management, agents and employees from and against any and all loss, liability, claim or expense of any kind whatsoever, including bodily injury, personal injury, food poisoning or other sickness, death, property damage, products liability and all other occurrences arising from or as a result of any negligence or other wrongdoing by the supplier or its employees in providing services or products to Franchisee, Franchisee's Restaurant or to any customer or invitee of the Restaurant.

(b) Automobile Insurance. Franchisee will require each supplier that performs any services for Franchisee to procure and maintain in full force and effect, at its sole cost and expense, automobile liability insurance with coverage of at least $1,000,000 per occurrence insuring Franchisee, Mr Brews and their respective Executive Management, agents and employees from any and all Claims and Damages of any kind whatsoever resulting from the use, operation or maintenance of all automobiles or vehicles owned or leased by the supplier, or owned or leased by any of its employees and used by the supplier, in connection with any services provided to Franchisee, including all catering and/or delivery services provided for or on behalf of Franchisee's Restaurant.

14.9 Data Security/Cyber Breach Insurance.
Franchisee will purchase and maintain in full force and effect, at its sole cost, a data security/cyber breach liability insurance policy with coverage for cyber liability claims.

14.10 Umbrella Liability.
Franchisee will, at its sole cost and expense, purchase and maintain umbrella liability insurance in the amount of $2,000,000 that will provide liability insurance coverage for any Claims or Damages incurred by Franchisee in excess of the primary general liability, liquor liability, automobile liability, employment practices liability, and other liability insurance coverage carried by Franchisee.

14.11 Insurance Required by Law or Mr Brews.
Franchisee will, at its sole cost and expense, procure and maintain all other insurance required by state or federal law, including workers' compensation insurance for its employees, and all insurance coverages required by Mr Brews in this Agreement, the Operations Manual or otherwise in writing.

14.12 Franchisee's Insurance Obligations.
Franchisee's obligation to obtain and maintain insurance policies in the amounts specified shall not be limited in any way by reason of any insurance that Mr Brews may maintain, nor does Franchisee's procurement of required insurance relieve Franchisee of liability under the indemnity obligations described in ARTICLE 24 or elsewhere in this Agreement. Franchisee's insurance procurement obligations under this Article are separate and independent of Franchisee's indemnity obligations. Mr Brews does not represent or warrant that any insurance that Franchisee is required to purchase will provide adequate coverage for Franchisee or the Restaurant. Franchisee should consult with its own insurance agents, brokers, attorneys and other insurance advisors to determine the level of insurance protection it needs and desires, in addition to the coverage and limits required by Mr Brews.

14.13 Insurance Companies; Evidence of Coverage.
All insurance companies providing coverage to Franchisee must be licensed in the state where coverage is provided. Franchisee will provide Mr Brews with certificates of insurance or such other evidence of insurance coverage as Mr Brews may require pursuant to this Article no later than the date Franchisee opens for business, and Franchisee will immediately provide, upon expiration, change or cancellation, a new certificate of insurance (or other updated evidence of coverage, as designated by Mr Brews) to Mr Brews.

14.14 Defense of Claims.
All liability insurance policies procured and maintained by Franchisee in connection with Franchisee's Restaurant, including Franchisee's employment practices liability policy, will require the insurance company to provide and pay for attorneys to defend any Claims brought against Franchisee, Mr Brews, and their respective Executive Management, agents and employees.

14.15 Rights of Mr Brews.
All insurance policies procured and maintained by Franchisee pursuant to this Article will name Mr Brews as an additional insured, will contain endorsements by the insurance companies waiving all rights of subrogation against Mr Brews, will, as applicable, include primary and non-contributory endorsement or language in form and content as Mr Brews periodically requires, and will stipulate that Mr Brews will receive copies of all notices of cancellation, non-renewal or elimination at least 30 days prior to the effective date of such cancellation, non-renewal or coverage elimination. Franchisee will provide prior written notification to Mr Brews of any reduction in the insurance coverages maintained by Franchisee pursuant to this Article.

ARTICLE 15
LICENSING OF MARKS AND MR BREWS SYSTEM

15.1 Right to License Marks.
Mr Brews warrants that it has the right to grant the franchise and to license the Marks and the Mr Brews System to Franchisee. Any and all changes or improvements made by Franchisee to the Marks or the Mr Brews System (regardless of whether Mr Brews approves their use with the Mr Brews System) will be the sole and absolute property of Mr Brews, which will have the exclusive right to register and protect all such changes and improvements in its name in accordance with applicable law. Franchisee's right to use and identify with the Marks and the Mr Brews System will exist concurrently with the Term and such use by Franchisee will inure exclusively to the benefit of Mr Brews.

15.2 Conditions to License of Marks.
Mr Brews hereby grants to Franchisee the nonexclusive personal right to use the Marks and the Mr Brews System in accordance with the provisions of this Agreement. Franchisee's nonexclusive personal right to use "Mr Brews Taphouse®" as the name of Franchisee's Restaurant and its right to use the Marks and the Mr Brews System applies only to Franchisee's Restaurant at the Franchised Location and such rights will exist only so long as Franchisee fully performs and complies with all of the conditions, terms and covenants of this Agreement. "Nonexclusive," for the purposes of this Article, will mean that Mr Brews has or will grant franchises to other franchisees, Entities or persons authorizing them to own and operate Mr Brews Taphouse® restaurants in conformity with the Mr Brews System using the name "Mr Brews Taphouse®" and the other Marks, and that Mr Brews and Affiliates have operated and may continue to own and operate Mr Brews Taphouse® restaurants.

15.3 Franchisee's Authorized Use.
Franchisee will only use the Marks designated by Mr Brews and only in the manner authorized and permitted by Mr Brews. Franchisee's right to use the Marks is limited to the uses set forth in this Agreement and any unauthorized use will constitute an infringement of the rights of Mr Brews under this Agreement and under the Lanham Act (15 U.S.C. §1051, et seq.). Franchisee will not have or acquire any rights in any of the Marks or the Mr Brews System other than the right of use as provided herein. Franchisee will have the right to use the Marks and the Mr Brews System only in the manner prescribed, directed and approved by Mr Brews in writing and will not have the right to use the Marks in connection with the sale of any products or services other than those prescribed or approved by Mr Brews for sale by Franchisee. If in the judgment of Mr Brews, the acts of Franchisee are contrary to the limitations set forth in this Agreement or infringe upon or demean the goodwill, uniformity, quality or business standing associated with the Marks or the Mr Brews System, then Franchisee will, upon written notice from Mr Brews, immediately modify its use of the Marks or the Mr Brews System in the manner prescribed by Mr Brews in writing.

15.4 Improvements.
If Franchisee or the Owners develop any new or revised concept, product, recipe, trademark, service mark, branding concept, process or improvement in or related to the operation or promotion of the Restaurant or the Mr Brews System ("Improvements"), then Franchisee will promptly provide Mr Brews with a detailed summary of the Improvements. Franchisee and the Owners acknowledge and agree that: (a) all Improvements made by Franchisee and the Owners are the property of Mr Brews; (b) Franchisee will execute and deliver any documents or instruments required by Mr Brews to memorialize or evidence Mr Brews' ownership of the Improvements; (c) Mr Brews will have the right to incorporate any or all of the Improvements into the Mr Brews System and/or the Marks; and (d) Mr Brews will have the right to use and authorize its Affiliates and franchisees to use any or all Improvements in the operations of any or all Mr Brews Taphouse® restaurants without any compensation to Franchisee.

15.5 Adverse Claims to Marks.
If there are any Claims by any party that its rights to any or all of the Marks are superior to those of Mr Brews and if the attorneys for Mr Brews are of the opinion that such Claims by a party is legally meritorious, or if there is an adjudication by a court of competent jurisdiction that any party's rights to the Marks are superior to those of Mr Brews, then upon receiving written notice from Mr Brews, Franchisee will, at its sole expense, immediately adopt and use the changes and amendments to the Marks that are specified by Mr Brews. If so specified, Franchisee will immediately cease using the Marks specified by Mr Brews, and will, as soon as reasonably possible, commence using the new trademarks, trade names, service marks, logos, designs and commercial symbols designated by Mr Brews in writing at the Franchised Location, and in connection with all advertising, marketing and promotion of Franchisee's Restaurant. Franchisee will not make any changes or amendments whatsoever to the Marks or the Mr Brews System without the written approval of Mr Brews.

15.6 Defense or Enforcement of Rights to Marks.
Franchisee will have no right to and will not defend or enforce any rights associated with the Marks or the Mr Brews System in any court or other proceedings for or against imitation, infringement, prior use or for any other Claims or allegation. Franchisee will give Mr Brews immediate written notice of any and all Claims or complaints made against or associated with the Marks and the Mr Brews System and will, without compensation for its time and at its expense, cooperate in all respects with Mr Brews in any lawsuits or other proceedings involving the Marks and the Mr Brews System. Mr Brews will have the sole and absolute right to determine whether it will commence or defend any litigation involving the Marks and/or the Mr Brews System, and the cost and expense of all litigation incurred by Mr Brews, including attorneys' fees, specifically relating to the Marks or the Mr Brews System will be paid by Mr Brews.

15.7 Tender of Defense.
If Franchisee is named as a defendant or party in any action involving the Marks or the Mr Brews System solely because the plaintiff or claimant is alleging that Franchisee does not have the right to use the Marks or the Mr Brews System, then Franchisee will have the right to tender the defense of the action to Mr Brews, and Mr Brews will, at its expense, defend Franchisee in the action provided that Franchisee has tendered defense of the action to Mr Brews within seven days after receiving service of the pleadings or the summons and complaint relating to the action. Mr Brews will indemnify and hold Franchisee harmless from any Damages assessed against Franchisee in any actions resulting solely from Franchisee's use of the Marks or the Mr Brews System at the Franchised Location if Franchisee has timely tendered defense of the action to Mr Brews.

15.8 Franchisee's Right to Participate in Litigation.
Franchisee may, at its expense, retain an attorney to represent it individually in all litigation and court proceedings involving the Marks or the Mr Brews System, and may do so with respect to matters involving only Franchisee (i.e., not involving Mr Brews or its interests); however, Mr Brews and its attorneys will control and conduct all litigation involving the Marks or the Mr Brews System and the rights of Mr Brews. Except as expressly provided for herein, Mr Brews will have no liability for any costs that Franchisee may incur in any litigation involving the Marks or the Mr Brews System, and Franchisee will pay for all costs, including attorneys' fees, that it may incur in any litigation or proceeding arising as a result of matters referred to under this Article, if Franchisee has not timely tendered the defense to Mr Brews in accordance with Article 15.7.

ARTICLE 16
OTHER OBLIGATIONS OF MR BREWS

16.1 Other Obligations.
Consistent with Mr Brews uniformity requirements and quality standards, Mr Brews will: (a) provide Franchisee with a written schedule of all Foods, Beverages, and Products sold or used by Mr Brews Taphouse® restaurants, and the FF&E and supplies required for the operation of Franchisee's Restaurant; (b) provide Franchisee with a list of the Approved Suppliers and Designated Suppliers for the Foods, Beverages, and Products and the FF&E for Franchisee's Restaurant; (c) make available to Franchisee basic restaurant-level sales and cost accounting and business procedures for use by Franchisee in its Restaurant; (d) periodically make general local marketing recommendations to Franchisee; (e) visit and review Franchisee's Restaurant as often as Mr Brews deems necessary and render written reports to Franchisee as deemed appropriate by Mr Brews; (f) protect, police and, when appropriate, enforce the Marks for the benefit of Mr Brews Taphouse® franchisees in the manner deemed appropriate by Mr Brews; (g) develop and, if applicable, register additional trademarks, trade names, service marks, tag lines, logos or commercial symbols for use in connection with the Mr Brews System as deemed appropriate by Mr Brews; (h) upon the reasonable written request of Franchisee, render reasonable advisory services by telephone or in writing pertaining to the operation of Franchisee's Restaurant; (i) provide Franchisee with a sample of the standard Mr Brews Taphouse® menu, and all modifications and updates to the menu; and (j) provide Franchisee with a written or electronic copy of the Operations Manual, together with all written or electronic copies of the supplements and updates published by Mr Brews from time to time.

16.2 Consulting Assistance.
If Franchisee requests that Mr Brews provide a consultant to train, assist or advise Franchisee on management and operations issues at the Franchised Location, then Franchisee will reimburse Mr Brews for the Travel Expenses incurred by the consultant and will pay Mr Brews the Per Diem Training Fee for each day the consultant provides training, assistance or advice to Franchisee.

ARTICLE 17
ASSIGNMENT

17.1 Assignment of Agreement by Mr Brews.
This Agreement (and any interest herein) may be unilaterally Assigned by Mr Brews to a person or Entity without the approval of Franchisee and, upon assignment, will inure to the benefit of the successors and assigns of Mr Brews. Mr Brews will provide Franchisee with written notice after the Assignment has been completed. Any assignee of Mr Brews will be required to fully perform all obligations of Mr Brews under this Agreement.

17.2 Assignment of Agreement to Beneficiary or Entity.

If Franchisee is an individual and has personally signed this Agreement, then in the event of the death or permanent disability of Franchisee, this Agreement may be Assigned to any designated person or beneficiary (the "Beneficiary") without the payment of any Assignment Fee and without complying with ARTICLE 21. However, the Assignment of this Agreement to Franchisee's Beneficiary will be subject to the applicable provisions of Article 17.3(b) - (i) and will not be valid or effective until Mr Brews has received the properly executed legal documents which its attorneys deem necessary to document the Assignment of this Agreement to the Beneficiary. The Beneficiary must agree to be unconditionally bound by the terms and conditions of this Agreement and must successfully complete the Training Program. There will be no charge to the Beneficiary for attending the Training Program; however, the Salary and Benefits and the Travel Expenses of the Beneficiary will be paid by the Beneficiary. In addition, this Agreement may be Assigned by Franchisee to an Entity without the payment of an Assignment Fee and without complying with ARTICLE 21 if Franchisee is an individual or a general partnership, provided that the Owner or Owners of the Entity are the same person or persons who signed this Agreement.

17.3 Assignment by Franchisee.

Franchisee will not Assign any interest in or any part of this Agreement, the Franchise or the Restaurant to any person or Entity without the prior written approval of Mr Brews. Mr Brews will not withhold its written consent to the Assignment by Franchisee if the Assignment does not violate any of the terms of this Agreement, if Mr Brews does not exercise its rights under ARTICLE 21 of this Agreement, and if Franchisee and/or the assignee Franchisee are in full compliance with the following terms and conditions: (a) Franchisee has provided written notice to Mr Brews of the proposed Assignment of this Agreement at least 45 days prior to the transaction; (b) all of Franchisee's monetary obligations due to Mr Brews have been paid in full, and Franchisee is not otherwise in default under this Agreement; (c) Franchisee has agreed in writing to observe all applicable provisions of this Agreement, including the covenants not to compete contained in this Agreement; (d) Mr Brews, the Owners, and Franchisee have executed a joint and mutual release, in a form satisfactory to Mr Brews, of any and all Claims against Mr Brews and/or Franchisee and their respective Executive Management, Owners, agents and employees, in their corporate and individual capacities, arising from, in connection with, or as a result of this Agreement, the operation of the Restaurant or Franchisee's purchase of the Franchise including, without limitation, all Claims arising under any federal or state franchising laws or any other federal, state or local law, rule or ordinance; provided, however, that Mr Brews and Franchisee may exclude from the coverage of the release any prior or concurrent written agreements between them for other Mr Brews Taphouse® restaurants owned by Franchisee; (e) the assignee Franchisee has demonstrated to the satisfaction of Mr Brews that he, she or it meets the managerial, financial and business standards required by Mr Brews for new franchisees, possesses a good business reputation and credit rating, and that its management possesses the aptitude and ability to operate the Restaurant in an economic and businesslike manner (as may be evidenced by prior related business experience or otherwise); (f) the assignee Franchisee and all of the assignee Franchisee's Owners execute the legal agreements required by Mr Brews or its legal counsel to document the Assignment of this Agreement to the assignee Franchisee including, at the option of Mr Brews, Mr Brews' then-current standard Franchise Agreement; (g) the assignee Franchisee has purchased or leased the Franchised Location for a term consistent with the remaining term of this Agreement or, if applicable, the term of the then-current standard Franchise Agreement; (h) the assignee Franchisee has purchased or otherwise acquired a valid liquor license and a valid food service license for the Restaurant at the Franchised Location; (i) the assignee Franchisee and its Management Staff have successfully completed the Training Program required under this

Agreement; and (j) any purchase and sale agreement between the Franchisee and assignee Franchisee (or other transferor and transferee) shall provide for and require that the Restaurant shall continue to operate without interruption during the assignment. If a proposed assignment would result in a change in control of Franchisee, the Franchise, or any of Franchisee's assets, including any Restaurants owned, operated, or controlled by Franchisee, and such change in control would result in the transferee-franchisee and its affiliates collectively, either directly or indirectly, owning more than seven (7) Restaurants, including the Restaurant being transferred, then Mr Brews may, at its sole discretion, withhold its written consent to the transfer and such withholding will not be considered unreasonable. Mr Brews may expand upon, and provide more details related to, the conditions for transfer and Mr Brews' consent as described in this Article 17.3, and may do so in the Operations Manual or otherwise in writing.

17.4 Assignment of Ownership Interest.
No Owner will have the right to Assign an Ownership Interest in Franchisee without the prior written approval of Mr Brews. Mr Brews will not withhold its written consent if the Assignment of the Ownership Interest by the Owner if the Owner complies in all respects with the terms of this Agreement, and if Mr Brews does not exercise its right of first refusal to acquire the Owner's Ownership Interest in Franchisee pursuant to Article 21.8.

17.5 Acknowledgment of Restrictions.
Franchisee and Owners acknowledge and agree that the restrictions on Assignment imposed herein are reasonable and necessary to protect the Mr Brews System and the Marks, as well as the reputation and image of Mr Brews, and are for the protection of Mr Brews, Franchisee and all other franchisees who own and operate Mr Brews Taphouse® restaurants. Any Assignment permitted by this Article will not be effective until Mr Brews receives a completely executed copy of all Assignment documents and Mr Brews consents to the Assignment in writing. Any attempted Assignment made without complying with the requirements of this Article will be void.

17.6 Assignment Fee.
If this Agreement is Assigned to another person or Entity, or if any of the Owners Assign any Ownership Interest in Franchisee to a third party, Franchisee will pay Mr Brews, on or before the date of the Assignment, an Assignment Fee of $5,000. The Assignment Fee is to cover the costs incurred by Mr Brews in connection with the Assignment. Mr Brews also reserves the right to charge the assignee Franchisee the Per-Diem Training Fee to cover the costs of providing the Training Program to the assignee Franchisee and its Management Staff. The assignee Franchisee will also be responsible for all Salaries and Benefits, Travel Expenses and other expenses incurred by all personnel attending the Training Program on behalf of the assignee Franchisee.

17.7 Assignment to Competitor Prohibited.
Franchisee and the Owners will not Assign this Agreement or their Ownership Interests in Franchisee, the Restaurant or the Franchise to any person or Entity that owns, operates, franchises, develops, consults with, manages, is involved in, or controls any Competitive Restaurant. If Mr Brews refuses to permit an Assignment of this Agreement under this provision, then the only remedy of Franchisee and the Owners will be to have a mediator or arbitrator determine whether the proposed assignee owns or operates a Competitive Restaurant.

ARTICLE 18
TERMINATION RIGHTS OF MR BREWS

18.1 Termination; Conditions of Breach.
In addition to its other rights of termination contained in this Agreement, Mr Brews will have the right to terminate this Agreement if: (a) within 120 days after the date of this Agreement, Mr Brews determines that any required or other financial, personal or other information provided by Franchisee to Mr Brews is materially false, misleading, incomplete or inaccurate; (b) Franchisee has not purchased or leased a site for the Franchised Location within 120 days after the date of this Agreement; (c) Franchisee has not obtained all licenses, permits, and certifications required for the service of food for its Restaurant from the appropriate Governmental Authorities at least 10 days before the Required Opening Date; (d) Franchisee has not obtained a valid liquor license for its Restaurant from the appropriate Governmental Authorities at least 10 days before the Required Opening Date; (e) Franchisee or any member of the Management Staff has not completed the Training Program required under this Agreement at least 30 days prior to the Required Opening Date; (f) Franchisee materially violates any federal, state or municipal law, rule, code or regulation applicable to Franchisee's Restaurant operations, including a violation of any health department rules or regulations relating to any food safety standards that would in any way endanger the health or well-being of any guest of Franchisee's Restaurant; (g) Franchisee breaches any material provision, term or condition of this Agreement including, but not limited to, the failure to timely pay any Fees, rents or any other monetary obligations due and payable to Mr Brews or an Affiliate pursuant to this Agreement or any other agreement; (h) Franchisee, any of its Executive Management or Owners are convicted of, or plead guilty to a violation of any federal or state law that has a material adverse effect on the operations of Franchisee's Restaurant or a crime involving dishonesty, fraud, or moral turpitude; (i) Franchisee fails to timely pay any of its uncontested obligations or liabilities due and owing to Mr Brews, any Affiliate, the Local Advertising Association, suppliers, banks, purveyors, other creditors or to any federal, state or municipal government; (j) Franchisee is determined to be insolvent within the meaning of applicable state or federal law, any involuntary petition for bankruptcy is filed against Franchisee, or Franchisee files for bankruptcy or is adjudicated a bankrupt under applicable state or federal law; (k) Franchisee makes an assignment for the benefit of creditors or enters into any similar arrangement for the disposition of its assets for the benefit of creditors; (l) any check issued by Franchisee is dishonored because of insufficient funds (except where the check is dishonored because of an error in bookkeeping or accounting) or closed accounts; (m) Franchisee voluntarily or otherwise Abandons the Restaurant; (n) Franchisee is involved in any act or conduct which materially impairs the goodwill associated with the name "Mr Brews Taphouse®," any other Marks or the Mr Brews System; (o) the Lease for the Franchised Location is terminated or canceled for non-payment of rent or other legal reasons or Franchisee is evicted from the Franchised Location; (p) any license, permit, or certification required for food service and, if applicable, liquor service at Franchisee's Restaurant is canceled for any reason; (q) Franchisee fails to provide the Financial Records requested by Mr Brews to substantiate the Financial Statements or to produce and permit Mr Brews to audit Franchisee's Financial Records in accordance with this Agreement; (r) Franchisee fails to open the Restaurant and commence business operations by the Required Opening Date; or (s) Franchisee, an Affiliate of Franchisee, or an Owner breaches any other agreement between such person or Entity and Mr Brews or an Affiliate of Mr Brews.

18.2 Notice of Breach.
Except as provided in Articles 18.4 and 18.5, Mr Brews will not have the right to terminate this Agreement until: (a) written notice setting forth the alleged breach in detail has been delivered to Franchisee by Mr Brews; and (b) after receiving the written notice, Franchisee fails to correct

the alleged breach within the period of time specified by applicable law. If applicable law does not specify a time period to correct an alleged breach, then Franchisee will have 30 days after receipt of the written notice to correct the alleged breach, except where the written notice states that Franchisee is delinquent in the payment of any of the Fees, rents or other monetary obligations payable to Mr Brews or an Affiliate pursuant to this Agreement or any other agreement, in which case Franchisee will have 15 days after receipt of written notice to correct the breach by making full payment to Mr Brews, together with interest on the past-due obligations at the rate of 18% per annum and the applicable Administrative Fees. If Franchisee fails to correct the alleged breach set forth in the written notice within the required period of time, then this Agreement may be terminated by Mr Brews as provided for herein. For the purposes of this Agreement, an alleged breach of this Agreement by Franchisee will be deemed to be "corrected" if both Mr Brews and Franchisee agree in writing that the alleged breach has been corrected.

18.3 Notice of Termination.
Except as provided in Articles 18.4 and 18.5 of this Agreement, if Mr Brews has complied with the provisions of this Article 18.3 and Franchisee has not corrected the alleged breach set forth in the written notice of breach within the applicable time period specified in this Agreement, then Mr Brews will have the absolute right to terminate this Agreement by giving Franchisee written notice of termination and, in that event, the effective date of termination of this Agreement will be the day the written notice of termination is received by Franchisee.

18.4 Immediate Termination Rights of Mr Brews.
Notwithstanding Article 18.2, Mr Brews will have the absolute right, unless precluded by applicable law, to immediately terminate this Agreement if: (a) Franchisee or any of its Executive Management or Owners are convicted of, or plead guilty to a charge of violating any law relating to Franchisee's Restaurant; (b) Franchisee is deemed insolvent within the meaning of applicable state or federal law, any involuntary petition for bankruptcy is filed against Franchisee and Franchisee is unable within a period of 60 days from such filing to obtain the dismissal of the bankruptcy petition, or Franchisee files for bankruptcy or is adjudicated a bankrupt under applicable state or federal law; (c) Franchisee makes an assignment for the benefit of creditors or enters into any similar arrangement for the disposition of its assets for the benefit of creditors; (d) Franchisee voluntarily or otherwise Abandons the Restaurant; (e) Franchisee fails or refuses to provide the Financial Records and other materials requested by Mr Brews to substantiate Franchisee's Financial Statements or to produce and permit Mr Brews to audit Franchisee's Financial Records; (f) Franchisee is involved in any act or conduct which materially impairs the goodwill associated with the Marks or the Mr Brews System, and Franchisee fails to correct the breach within 24 hours after receipt of written notice of the breach from Mr Brews; (g) Franchisee breaches any provision, term or condition of this Agreement 3 or more times during any 12-month period, without regard to whether the breaches were of a similar or different nature or whether the breaches were corrected within the prescribed cure period after receipt of written notice of the breaches; or (h) Franchisee fails to open its Restaurant and commence business operations by the Required Opening Date.

18.5 Notice of Immediate Termination.
Except as provided below, if this Agreement is terminated by Mr Brews pursuant to Article 18.4, then Mr Brews will give Franchisee written notice that this Agreement is terminated and, in that event, the effective date of termination of this Agreement will be the day the written notice of termination is received by Franchisee. If notice of termination is given to Franchisee by Mr Brews pursuant to Article 18.4(f), then this Agreement will terminate on the first minute of the

25th hour after receipt of the written notice of termination if Franchisee fails to correct the alleged breach within 24 hours after receiving the written notice of termination.

18.6 Right To Discontinue Supplying Items Upon Default.
If Mr Brews delivers a notice of default to Franchisee, Mr Brews will have the right to (a) require that Franchisee pay C.O.D. (i.e., cash on delivery) or by certified check for goods/services, and/or (b) stop selling and/or providing any goods/services to Franchisee until it has cured all defaults. No such action by Mr Brews will be a constructive termination of this Agreement, change in competitive circumstances or similarly characterized, and Franchisee agrees that it will not be relieved of any obligations under this Agreement because of any such action.

18.7 Non-Compliance Fee.
In addition to, and notwithstanding the Attorneys' Fees and Costs provision in Section 26.4 of this Agreement, in the event of Franchisee's default under Section 18, or in the event of any instance of Franchisee non-compliance with this Agreement, the Operations Manual, or other policies and Mr Brews System standards, for which Mr Brews notifies Franchisee of such default or non-compliance, Mr Brews may require Franchisee to pay an administrative fee to Franchisor in the amount of $1,000 per occurrence, and $100 for each week such default or non-compliance remains uncured (collectively the "Non-Compliance Fee"). Such Non-Compliance Fee is intended to reimburse Mr Brews for its damages and other losses incurred, as well as the time, expense, and other expenditure of resources incurred due to Franchisee's default or non-compliance. The additional weekly charge is Mr Brew's best estimate of the ongoing costs to monitor Franchisee's action until the default or non-compliance is rectified and cured. The Non-Compliance Fee applies to each notice of non-compliance that Mr Brews provides Franchisee, for each separate event, action, or inaction of default or non-compliance. Mr Brew's decision to require Franchisee to pay such Non-Compliance Fee shall be without prejudice to Mr Brews's right to terminate this Agreement and/or to terminate any other rights, options or arrangements under this Agreement at any time thereafter for the same default or as a result of any additional defaults of the terms of this Agreement.

18.8 Other Remedies.
Nothing in this Article will preclude Mr Brews from seeking other remedies or Damages under any state or federal law, common law, or under this Agreement against Franchisee including, but not limited to, attorneys' fees and injunctive relief. If this Agreement is terminated by Mr Brews pursuant to this Article, or if Franchisee breaches this Agreement by a wrongful termination or a termination that is not in strict compliance with the terms and conditions of this Agreement, then Mr Brews will be entitled to seek recovery of all Damages that Mr Brews has sustained and will sustain in the future as a result of Franchisee's breach of this Agreement.

18.9 No Equity Upon Termination.
Franchisee's rights regarding the Franchise for the Restaurant will be controlled by the provisions of this Agreement. Franchisee will have no equity or any other continuing interest in the Franchise, any goodwill associated with the Restaurant or the Marks, or any right to compensation or refunds upon the expiration and/or termination of this Agreement.

18.10 Continuing Obligations.
If this Agreement is terminated because of a default by Franchisee, Franchisee will not be released or discharged from its obligations, including payment of all Fees then due and other amounts which would have become due under this Agreement if Franchisee had continued the operation of the Restaurant for the full term of this Agreement. Mr Brews' remedies will include (but are not limited to) the right to collect the present value of these amounts and to receive the

benefit of its bargain with Franchisee, as well as to accelerate the balances of any promissory notes owed and to receive any other unpaid amounts owed to Mr Brews or any Affiliates of Mr Brews. It would be commercially unreasonable and damaging to the integrity of the Mr Brews System if a franchisee could default and then escape the financial consequences of its contractual commitment to meet payment obligations for the term of a franchise agreement. Franchisee will sign a general release if Mr Brews chooses to waive its rights to collect any amounts that would have become due if Franchisee had continued in business for the term of this Agreement.

ARTICLE 19
FRANCHISEE'S TERMINATION RIGHTS

19.1 Conditions of Breach.
Franchisee will have the right to terminate this Agreement, as provided herein, if Mr Brews breaches any material provision, term or condition of this Agreement, or fails to timely pay any material uncontested obligations due and owing to Franchisee.

19.2 Notice of Breach.
Franchisee will not have the right to terminate this Agreement or to commence any action, lawsuit or proceeding against Mr Brews for breach of this Agreement, injunctive relief, violation of any state, federal or local law (including alleged violations of franchise laws), violation of common law (including allegations of fraud and misrepresentation), rescission, Damages, or termination, unless and until: (a) written notice setting forth the alleged breach in detail has been delivered to Mr Brews by Franchisee; and (b) Mr Brews fails to correct the alleged breach within 30 days after receipt of the written notice. If Mr Brews fails to correct the alleged breach within 30 days after receiving written notice, then Franchisee will have the right to terminate this Agreement as provided for herein. For the purposes of this Agreement, an alleged breach of this Agreement by Mr Brews will be deemed to be "corrected" if both Mr Brews and Franchisee agree in writing that the alleged breach has been corrected.

19.3 Limitation of Actions by Franchisee.
Franchisee must give Mr Brews written notice of any alleged breach of this Agreement by Mr Brews. If Franchisee fails to give written notice to Mr Brews of the alleged breach within 12 months from the first day the alleged breach of this Agreement by Mr Brews actually occurred, including any breach of this Agreement by Mr Brews based upon any state law, federal law or common law, then the alleged breach by Mr Brews will be deemed to be condoned, approved and waived by Franchisee, and the alleged breach by Mr Brews will not be deemed to be a breach of this Agreement by Mr Brews and Franchisee will be absolutely barred from commencing any action against Mr Brews or from recovering any Damages from Mr Brews for that specific alleged breach of this Agreement.

ARTICLE 20
FRANCHISEE'S OBLIGATIONS UPON TERMINATION OR EXPIRATION

20.1 Termination of Use of Marks; Other Obligations.
If this Agreement is canceled or terminated for any reason or this Agreement expires, then Franchisee will: (a) within 5 days after termination, pay all Fees to Mr Brews; (b) immediately return to Mr Brews the Operations Manual, menus, advertising materials and all other printed materials pertaining to the Restaurant by first class prepaid United States mail; and (c) comply with all other applicable provisions of this Agreement. Upon termination or expiration of this Agreement for any reason, Franchisee's right to use "Mr Brews Taphouse®," the other Marks

and the Mr Brews System will terminate immediately in all respects, and Franchisee will not thereafter conduct or promote any business under any name or in any manner that might tend to give the general public the impression that Franchisee is continuing to operate as a Mr Brews franchisee. Without limiting the generality of the foregoing, Franchisee will immediately cease all advertising which includes any of the Marks, will delete all content containing the Marks or any references to Mr Brews or Franchisee's Restaurant from any home page maintained by Franchisee, and will cease using any and all items or materials which bear or include any of the Marks.

20.2 Alteration of Franchised Location.

If this Agreement expires or is terminated for any reason or if the Franchised Location ever ceases to be used for Franchisee's Restaurant, then within 30 days after the date of the expiration or termination of this Agreement, Franchisee will, at its expense, alter, modify and change both the exterior and interior appearance of the building and the Franchised Location so that it will be clearly distinguished from the standard appearance of a Mr Brews Taphouse® restaurant. At a minimum, such changes and modifications to the Franchised Location will include, but not be limited to: (a) repainting and, where applicable, recovering both the exterior and interior walls of the Franchised Location with totally different colors, including removing any distinctive colors and designs from the walls; (b) removing all furniture, fixtures and other decor items associated with Mr Brews Taphouse® restaurants and replacing them with other decor items not of the general type and appearance customarily used in Mr Brews Taphouse® restaurants; (c) removing all exterior and interior Mr Brews Taphouse® signs and all other items bearing any of the Marks; and (d) immediately discontinuing use of the approved wall decor items and window decals, and refraining from using any items which may be confusingly similar to those used in Mr Brews Taphouse® restaurants.

20.3 Telephone Listings.

Upon termination or expiration of this Agreement, or if Mr Brews acquires Franchisee's Restaurant pursuant to this Agreement, Mr Brews will have the absolute right to notify the telephone company and all listing agencies of the termination or expiration of Franchisee's right to use all telephone numbers and any classified or other directory listings for the Restaurant and to authorize the telephone company and all listing agencies to transfer to Mr Brews or its assignee all telephone numbers and directory listings of Franchisee's Restaurant. Franchisee acknowledges and agrees that Mr Brews has the absolute right and interest in and to all telephone numbers and directory listings associated with the Marks, and Franchisee hereby authorizes Mr Brews to direct the telephone company and all listing agencies to transfer Franchisee's telephone numbers and directory listings to Mr Brews or to an assignee of Mr Brews, if this Agreement expires or is terminated or if Mr Brews acquires Franchisee's Restaurant. The telephone company and all listing agencies may accept this Agreement as evidence of the exclusive rights of Mr Brews to such telephone numbers and directory listings and this Agreement will constitute the authority from Franchisee for the telephone company and listing agency to transfer all such telephone numbers and directory listings to Mr Brews. This Agreement will constitute a release of the telephone company and listing agencies by Franchisee from any and all Claims and Damages that Franchisee may at any time have the right to allege against them in connection with this Article. Franchisee will execute the Telephone Listing Agreement attached as an exhibit to this Agreement and such other documents as Mr Brews may require for completing the transfer of the telephone numbers as contemplated herein.

20.4 Continuation of Obligations.
The indemnities and covenants contained in this Agreement will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

ARTICLE 21
OPTION OF MR BREWS TO PURCHASE

21.1 Terms of Option.
Franchisee will not Assign or otherwise dispose of any interest in or any part of the Major Assets to any purchaser without first offering the same to Mr Brews in a written offer that contains the purchase price, payment terms, and all other material terms and conditions of the proposed transaction with the third party, including price and payment terms (the "Franchisee's Offer"). Mr Brews will have 21 days after receipt of Franchisee's Offer to give Franchisee written notice which will either waive its option to purchase (the "Waiver Notice") or will state that it intends to exercise its rights to purchase or acquire the Major Assets according to the terms contained in Franchisee's Offer (the "Letter of Intent").

21.2 Due Diligence Review.
If Mr Brews provides Franchisee with a Letter of Intent within 21 days after receipt of Franchisee's Offer, then Mr Brews will have 60 days after the date the Letter of Intent is received by Franchisee (the "Notice Date") to conduct a "due diligence" review. Franchisee will promptly provide Mr Brews with all Financial Information, Financial Records, and other information requested by Mr Brews or its accountants to conduct its "due diligence" review. Mr Brews will have the absolute and unconditional right to terminate the Letter of Intent and any obligation to purchase the Major Assets from Franchisee for any reason and at any time during the 60-day "due diligence" review period by giving Franchisee written notice.

21.3 Good Faith Negotiations.
Unless Mr Brews terminates its Letter of Intent as provided in Article 21.2, then Franchisee and Mr Brews will act in good faith to agree on the terms and conditions of the definitive agreement or agreements for the purchase of the Major Assets (other than those objective terms and conditions contained in Franchisee's Offer) and the closing date for the sale of the Major Assets to Mr Brews will take place at the offices of Mr Brews within 90 days after the Notice Date.

21.4 Sale to Purchaser.
Franchisee will have the right to complete the transaction for the sale of the Major Assets to a purchaser according to the terms and conditions contained in Franchisee's Offer to Mr Brews if: (a) Mr Brews delivers a Waiver Notice to Franchisee, (b) Mr Brews fails to deliver either a Waiver Notice or the Letter of Intent to Franchisee within 21 days after receiving Franchisee's Offer, (c) Mr Brews terminates its Letter of Intent during the due diligence period pursuant to the provisions of Article 21.2, or (d) Franchisee and Mr Brews fail to agree on the terms and conditions for the definitive agreement or agreements for the purchase of the Major Assets by Mr Brews from Franchisee (other than those objective terms and conditions contained in Franchisee's Offer) on or before the 60th day after the Notice Date.

21.5 Negotiated Changes with Purchaser.
If Mr Brews does not purchase the Major Assets from Franchisee under the terms and conditions contained in Franchisee's Offer, then if during any negotiations with the purchaser Franchisee agrees to negotiate, change, delete, or modify any of the terms and conditions contained in Franchisee's Offer or the terms and conditions contained in the most recent version of the definitive agreement or agreements proposed by Franchisee during negotiations that

were not acceptable to Mr Brews, then Franchisee will be required to re-offer to sell the Major Assets to Mr Brews under the new terms and conditions offered to the purchaser in accordance with the provisions of this Article.

21.6 Financing Exception.
This Article will not apply to the Assignment of any of the Major Assets (with the exception of this Agreement) by Franchisee to a bank, financial institution or other lender in connection with Franchisee's financing of (a) the real estate or leasehold improvements for the Franchised Location, (b) the FF&E for Franchisee's Restaurant, (c) inventory or supplies for the Restaurant, or (d) working capital required by the Restaurant.

21.7 Compliance with Agreement.
Franchisee's obligations under this Agreement including, but not limited to, its obligations to pay all Fees and to operate the business as a Mr Brews Taphouse® restaurant, will in no way be affected or changed because of non-acceptance by Mr Brews of Franchisee's Offer and as a consequence, the terms and conditions of this Agreement will remain in full force and effect. The decision by Mr Brews not to exercise the option to purchase granted to it pursuant to this Article will not, in any way, be deemed to grant Franchisee the right to terminate this Agreement and will not affect the term of this Agreement. Moreover, if Mr Brews does not exercise the option to purchase granted to it pursuant to this Article and if Franchisee sells or otherwise disposes of its Major Assets to a third party, then both Franchisee and the purchaser will be required to comply in all respects with the terms and conditions of ARTICLE 17 of this Agreement. Any Assignment of the Major Assets of Franchisee's Restaurant that does not include an Assignment of this Agreement to the assignee will constitute a wrongful termination of this Agreement by Franchisee.

21.8 Assignment of Ownership Interest.
The Ownership Interests owned by Franchisee or by the Owners of Franchisee may not be Assigned by Franchisee or the Owners until the Ownership Interests have first been offered to Mr Brews in writing. If Franchisee or the Owners desire to Assign their Ownership Interests, then they will first offer the Ownership Interests in Franchisee to Mr Brews in writing under the same terms and conditions as those being offered to any party. Mr Brews will have 30 days to accept any offer to purchase the Owner's Ownership Interest in Franchisee. The Owner will be required to comply with the provisions of Article 17.4 if Mr Brews does not exercise its right to purchase the Owner's Ownership Interest.

21.9 Acknowledgment of Restrictions.
Franchisee and Owners acknowledge and agree that the restrictions on Assignment imposed herein are reasonable and are necessary to protect the Mr Brews System and the Marks, as well as the reputation and image of Mr Brews, and are for the protection of Mr Brews, Franchisee and all other franchisees who own and operate Mr Brews Taphouse® restaurants. Any Assignment permitted by this Agreement will not be effective until Mr Brews receives a completely executed copy of all Assignment documents and Mr Brews consents to the Assignment in writing.

21.10 Right of Mr Brews to Purchase Major Assets.
If this Agreement expires or is terminated by either Mr Brews or Franchisee for any reason whatsoever, if Franchisee wrongfully terminates this Agreement by failing to comply with ARTICLE 19 or if Franchisee at any time ceases to do business as a Mr Brews Taphouse® restaurant, then Mr Brews will have the right, but not the obligation, to purchase from Franchisee any or all of the Major Assets. Within two business days after this Agreement

expires or is terminated by either party, is wrongfully terminated by Franchisee, or Franchisee ceases to do business as a Mr Brews Taphouse® restaurant, Franchisee must give Mr Brews written notice of Franchisee's asking price for each of the Major Assets. If Franchisee fails to give Mr Brews written notice of the asking price for the Major Assets and/or if Mr Brews and Franchisee cannot agree on the price of the Major Assets, then either party will have the right to demand that the price of the Major Assets be determined by arbitration conducted in the municipality in which Mr Brews' headquarters are then located, in accordance with the Code of Procedure of the National Arbitration Forum, Post Office Box 50191, Minneapolis, Minnesota 55405 (www.adrforum.com). The arbitration hearing will be held as soon as possible, but in no event later than seven days after the date arbitration is demanded by either party. The Arbitrator will not consider any value for goodwill associated with the name "Mr Brews Taphouse®" in determining the fair market value of the Major Assets since the right of purchase granted to Mr Brews pursuant to this provision applies only after this Agreement has expired or been terminated or Franchisee has ceased doing business. The Arbitrator may not include the value of the Lease for the Franchised Location if Mr Brews gives the Arbitrator written notice that it intends to exercise its right to assume the Lease. If the Arbitrator is unable to determine the fair market value of any of the Major Assets, then they will be valued at book value as determined by generally accepted accounting principles (cost less depreciation). Mr Brews will have the right, but not the obligation, to purchase any or all of the Major Assets from Franchisee for cash within 20 days after the fair market value of the Major Assets has been established by the Arbitrator in writing. Nothing in this provision may be construed to prohibit Mr Brews from enforcing the post-term obligations and conditions of this Agreement, including the covenants not to compete contained in ARTICLE 22.

21.11 Bankruptcy Issues.

If Franchisee or any person or Entity holding any Ownership Interests (direct or indirect) in Franchisee becomes a debtor in a proceeding under the U.S. Bankruptcy Code or any similar law in the U.S. or elsewhere, it is the parties' understanding and agreement that any Assignment of Franchisee's obligations and/or rights hereunder, any material assets of Franchisee, or any indirect or direct interest in Franchisee will be subject to all of the provisions of this Article.

ARTICLE 22
FRANCHISEE'S COVENANTS NOT TO COMPETE

22.1 Consideration.

Franchisee and the Owners acknowledge that Franchisee and its Executive Management and employees will receive specialized training, marketing and advertising plans, business strategies, confidential recipe, cooking and food preparation information, and trade secrets from Mr Brews pertaining to the Mr Brews System and the operation of the Restaurant. In consideration for this information, Franchisee and the Owners will comply in all respects with the provisions of this Article. Mr Brews has advised Franchisee that this is a material provision of this Agreement and that Mr Brews will not sell a Franchise to any person or Entity that owns or intends to own, operate or be involved in any Competitive Restaurant; however, Mr Brews may, under certain circumstances, exclude from the coverage of Articles 22.2 and 22.3 existing operational restaurant(s) owned and operated by Franchisee on the date of this Agreement, and Franchisee may, with the written consent of Mr Brews, continue to own and operate such restaurants during the term of this Agreement and thereafter. Franchisee warrants and represents that it does not, except as disclosed to and approved by Mr Brews pursuant to this Article 22.1, own, operate or have any involvement with or interest in any Competitive Restaurant.

22.2 In-Term Covenant Not to Compete.
Franchisee and the Owners will not, during the term of this Agreement, on their own account or as an employee, principal, agent, Franchisee, independent contractor, consultant, affiliate, licensee, partner, officer, director, shareholder, member, manager, governor or Owner of any other person or Entity, own, operate, lease, franchise, conduct, engage in, be connected with, have any interest in, or assist any person or Entity engaged in any Competitive Restaurant, except with the prior written consent of Mr Brews.

22.3 Post-Term Covenant Not to Compete.
Except as provided to the contrary in Article 22.1, for a period of 24 months after the termination or expiration of this Agreement, Franchisee and the Owners will not, on their own account or as an employee, principal, agent, Franchisee, independent contractor, consultant, Affiliate, licensee, partner, officer, director, shareholder, member, manager, governor or Owner of any other person or Entity (directly or indirectly, including through a spouse, parent, or child), own, operate, lease, franchise, conduct, engage in, be connected with, have any interest in or assist any person or Entity engaged in any Competitive Restaurant located within 10 miles of the Franchised Location, within 10 miles of any other Mr Brews Taphouse® restaurant, or within any designated area or territory granted by Mr Brews pursuant to a franchise agreement, area development agreement or other agreement. Franchisee and the Owners expressly agree that the time and geographical limitations set forth in this provision are reasonable and necessary to protect Mr Brews and its other franchisees if this Agreement expires or is terminated by either party for any reason, and that this covenant not to compete is necessary to give Mr Brews the opportunity to resell and/or develop a new Mr Brews Taphouse® restaurant at or in the area near the Franchised Location. Franchisee agrees that the length of time in this Section 22.3 will be tolled for any period during which Franchisee is in breach of the covenants set forth in this Section 22.3 or any other period during which Mr Brews seeks to enforce this Agreement.

22.4 Ownership of Public Companies.
Notwithstanding the provisions of Articles 22.2 and 22.3, Franchisee and the Owners will have the right to own up to 1% of any publicly-held company or mutual fund that owns, operates, has an interest in, or controls any Competitive Restaurant business, provided that such company has a class of securities that is publicly traded on a national exchange or quotation system and is subject to the reporting requirements of the Securities Exchange Act of 1934, as amended.

22.5 Injunctive Relief.
Franchisee and the Owners agree that the provisions of this Article are necessary to protect the legitimate business interest of Mr Brews and its franchisees including, without limitation, preventing the unauthorized dissemination of marketing, promotional and other Confidential Information to competitors of Mr Brews and its franchisees, protecting recipes, cooking and food preparation techniques and other trade secrets, protecting the integrity of the franchise system, preventing duplication of the Mr Brews System by unauthorized third parties, preventing damage to and/or loss of goodwill associated with the Marks and protecting Mr Brews' intellectual property rights. Franchisee and the Owners also agree that Damages alone cannot adequately compensate Mr Brews if there is a breach of this Article by Franchisee or the Owners, and that injunctive relief against Franchisee is essential for the protection of Mr Brews and its franchisees. Franchisee and the Owners agree therefore, that if Mr Brews alleges that Franchisee or the Owners have breached this Article, then Mr Brews will have the right to petition a court of competent jurisdiction for injunctive relief against Franchisee and the Owners, in addition to all other remedies that may be available to Mr Brews. Mr Brews will not be required to post a bond or other security for any injunctive proceeding. If Mr Brews is granted ex parte injunctive relief against Franchisee or Franchisee's Owners, then Franchisee or the

Owners will have the right to petition the court for a hearing on the merits at the earliest time convenient to the court.

ARTICLE 23
INDEPENDENT CONTRACTORS

23.1 Independent Contractors.
Mr Brews and Franchisee are each independent contractors and, as a consequence, there is no employer-employee or principal-agent relationship between Mr Brews and Franchisee. Franchisee will not have the right to and will not make any agreements, representations or warranties in the name of or on behalf of Mr Brews or represent that their relationship is other than that of franchisor and franchisee. Neither Mr Brews nor Franchisee will be obligated by or have any liability to the other under any agreements or representations made by the other to any third parties.

23.2 Operation of Restaurant Business.
Franchisee will be totally and solely responsible for the operation of its Mr Brews Restaurant, and will control, supervise and manage all the employees, agents and independent contractors who work for or with Franchisee, including the right to hire and fire its employees. Franchisee will be responsible for the acts of its employees, agents and independent contractors, and will take all reasonable business actions necessary to ensure that its employees, agents and independent contractors comply with all federal, state and local laws, rules and regulations including, but not limited to, all discrimination laws, sexual harassment laws and laws relating to the disabled. Mr Brews will not have any right, obligation or responsibility to hire, control, supervise, manage or fire Franchisee's employees, agents or independent contractors, and will no way be involved in the day-to-day operations of Franchisee's Restaurant. Franchisee will be solely responsible for all employment decisions and functions of the Restaurant including, without limitation, those related to hiring, firing, training, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, scheduling, supervision, and discipline of employees, regardless of whether Franchisee receives information from Mr Brews on these subjects. Franchisee acknowledges and agrees that all personnel decisions will be made by Franchisee, without any influence or advice from Mr Brews, and such decisions and actions shall not be, nor be deemed to be, a decision or action of Mr Brews. Neither Franchisee nor any employee of Franchisee will be considered an employee of Mr Brews under any circumstances. To the extent that any legal authority determines that Mr Brews has a duty to act or not act with respect to any of Franchisee's employees, Mr Brews hereby assigns to Franchisee any such duty, and Franchisee hereby accepts such assignment.

ARTICLE 24
INDEMNIFICATION

24.1 Indemnification.
Except as provided for in Article 15.7, the Franchisee will indemnify and hold harmless Mr Brews and its current and former Affiliates and their past and present employees, shareholders, members, Owners, attorneys, accountants and agents (individually and collectively, the "Indemnified Parties") against, and will reimburse the Indemnified Parties for, all Damages that the Indemnified Parties incur in the defense of or as a result of any Claim brought against the Indemnified Parties arising from, as a result of, in connection with or out of this Agreement, the relationship between Mr Brews and Franchisee, the operation of the Franchisee's Restaurant, and/or the Franchisee's or the Franchisee's employees' actions or inaction. The Franchisee will indemnify the Indemnified Parties, without limitation, for all Damages arising from, out of, in

connection with, or as a result of any and all Claims including, but not limited to: (a) any personal injury, property damage, commercial loss or environmental contamination resulting from any act or omission of the Franchisee or its Executive Management, employees, agents or representatives; (b) any failure on the part of the Franchisee to comply with any requirement of any federal or state laws or any rules or regulations of any Governmental Authority; (c) any failure of the Franchisee to pay any of its obligations to any person or Entity; (d) any failure of the Franchisee to comply with any requirement or condition of this Agreement or any other agreement with Mr Brews and/or the Indemnified Parties; (e) any misfeasance or malfeasance by the Franchisee or its Executive Management, employees, agents or representatives; (f) any tort committed by the Franchisee or its Executive Management, employees, agents or representatives; or (g) any other Claims brought against any of the Indemnified Parties, including claims brought by the Franchisee. The Franchisee will not be obligated to indemnify the Indemnified Parties for any Damages attributable to, arising out of, from, in connection with, or as a result of any negligence or wrongdoing by the Indemnified Parties. Any of the Indemnified Parties will have the right to defend any Claim made against it arising from, as a result of, in connection with or out of the operation of the Franchisee's Restaurant.

24.2 Payment of Costs and Expenses.
Franchisee will pay all attorneys' fees, costs, and expenses incurred by Mr Brews if Mr Brews prevails in any action: (a) it commences or defends to enforce any term, condition, or provision of this Agreement, or (b) to enjoin any violation of this Agreement by either Mr Brews or Franchisee. These indemnification provisions and the other obligations contained in this Agreement will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

ARTICLE 25
MANDATORY NON-BINDING MEDIATION

25.1 Disputes Subject to Mediation.
Except as provided in Article 25.6, all disputes between Mr Brews and Franchisee will be subject to mandatory non-binding mediation. The mediator will be appointed in accordance with the Code of Procedure of the National Arbitration Forum unless the parties agree on a mediator in writing within 10 days after either party gives written notice of mediation.

25.2 Purpose.
Mr Brews and Franchisee acknowledge that resolving disputes prior to commencing court proceedings is in the best interests of both parties, all other franchisees, and the Mr Brews System. Therefore, the parties agree that they will act in good faith to settle any dispute between them either prior to or during mediation.

25.3 Mediation Protocol.
If either party alleges that a dispute exists between them, then either party will have the right to demand non-binding mediation within 10 days after the complaining party has provided the other party with written notice describing the dispute and the desired action. All mediation sessions will take place at a venue determined by Mr Brews and located within 25 miles of Mr Brews' then-current headquarters location. The sessions will be held within 30 days after the mediator has been appointed. The mediation hearing will be informal and the mediator will have the right to hear and review all testimony and evidence presented by either party. The cost of the mediator will be paid equally by the parties.

25.4 Conditions.
Mr Brews and Franchisee will not have the right to commence any legal proceedings against the other party until the dispute has been mediated as provided for herein. Both parties will have the right to take all actions necessary to commence legal proceedings prior to any mediation proceedings; however, neither party will have the right to prosecute any legal proceedings beyond commencement of an action until the mediation has concluded. If the mediation proceedings have not been concluded within 30 days after the first meeting with the mediator, then either party will have the right to pursue all other remedies available to them under this Agreement.

25.5 Miscellaneous.
The matters set forth in Article 25.6 will not be subject to mediation or the provisions of this Article. All matters, testimony, arguments, evidence, allegations, documents and memorandums, and the decision of the mediator will be confidential in all respects and will not be disclosed to any other person or Entity by either party. Mr Brews and Franchisee will continue to perform their respective obligations pursuant to this Agreement during the mediation process.

25.6 Disputes Not Subject to Mediation.
The following disputes between Mr Brews and Franchisee will not be subject to mediation: (a) use of the Marks by either Mr Brews or Franchisee; (b) the obligations of Franchisee and Mr Brews upon termination or expiration of this Agreement; (c) any alleged breach of the provisions of this Agreement relating to Confidential Information and in-term and post-term covenants not to compete contained in ARTICLE 22; (d) any dispute regarding Franchisee's obligations to indemnify Mr Brews and/or an Affiliate for any Claims or Damages pursuant to ARTICLE 24 of this Agreement; and (e) any injunctive actions commenced by either party pursuant to this Agreement or pursuant to any statutory or common law rights.

ARTICLE 26
ENFORCEMENT

26.1 Injunctive Relief.
Either Franchisee or Mr Brews will have the right to petition a court of competent jurisdiction for the entry of temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement for any action relating to: (a) the use of the Marks and/or the Mr Brews System by Mr Brews or Franchisee; (b) the obligations of Franchisee or Mr Brews upon termination or expiration of this Agreement; and (c) any breaches of the provisions of this Agreement by either Franchisee or Mr Brews relating to Confidential Information and the provisions of ARTICLE 22 relating to the interpretation, construction or enforcement of the covenants not to compete.

26.2 Payments to Mr Brews.
Franchisee will not, on grounds of the alleged nonperformance by Mr Brews of any of its obligations under this Agreement, any other contract between Mr Brews and Franchisee, or for any other reason, withhold the payment of any Fees due to Mr Brews. Franchisee will not have the right to "offset" or withhold any liquidated or unliquidated amounts, Damages or other funds allegedly due to Franchisee by Mr Brews against any Fees due to Mr Brews by Franchisee. Mr Brews will have the right to deduct from amounts payable to Franchisee by Mr Brews or an Affiliate any Fees or other payments owed to Mr Brews, an Affiliate or a third party. Mr Brews will also have the right to apply the Fees and other payments made to Mr Brews by Franchisee in such order as Mr Brews may designate from time to time. As to Franchisee and its Affiliates,

Mr Brews will have the right to: (a) apply any payments received to any past due, current, future or other indebtedness of any kind, no matter how payment is designated by Franchisee, except that Marketing Fund Fees may only be credited to the Marketing Fund; (b) set off, from any amounts that may be owed by Mr Brews, any amount owed to Mr Brews, the Marketing Fund or any other fund or account; and (c) retain any amounts received for Franchisee's account (and/or that of any Affiliate of Franchisee), whether rebates from suppliers or otherwise, as a payment against any Fee owed to Mr Brews. Mr Brews will have the right to exercise any of the foregoing rights in connection with amounts owed to or from Mr Brews and/or any Affiliate.

26.3 Effect of Wrongful Termination.

If either Mr Brews or Franchisee takes any action to terminate this Agreement or Franchisee takes any action to convert its Restaurant to another business, and such actions were taken without first complying with the terms and conditions of this Agreement, including ARTICLE 18 or ARTICLE 19 of this Agreement, as applicable, then: (a) such actions will not relieve either party of, or release either party from, any of its obligations under this Agreement; (b) the terms and conditions of this Agreement will remain in full force and effect; and (c) the parties will be obligated to fully perform all terms and conditions of this Agreement until such time as this Agreement expires or is terminated in accordance with the provisions of this Agreement and applicable law.

26.4 Attorneys' Fees and Costs.

Franchisee will fully reimburse and indemnify Mr Brews for all attorneys' fees and costs incurred by Mr Brews in: (a) enforcing any of the terms and conditions of this Agreement, including a breach of this Agreement, against Franchisee not involving any proceeding or court action; and (b) any proceeding or court action brought against Franchisee to enforce the terms and conditions of this Agreement, including a breach of this Agreement.

26.5 Venue and Jurisdiction.

All court proceedings, lawsuits and court hearings initiated by Franchisee or Mr Brews must and will be venued exclusively in the municipality in which Mr Brews' headquarters are then located. Franchisee and its Executive Management and Owners do hereby agree and submit to personal jurisdiction in such court for the purposes of any suit, proceeding or hearing brought to enforce or construe the terms of this Agreement or to resolve any dispute or controversy arising under, as a result of, or in connection with this Agreement, the Franchised Location or Franchisee's Restaurant, and do hereby agree and stipulate that any such suits, proceedings and hearings will be venued exclusively in such court. Franchisee, its Executive Management and its Owners waive any rights to contest such venue and jurisdiction and waive any rights to argue or contest before any court or Arbitrator the validity of such venue and jurisdiction.

26.6 Limitation of Actions.

Except as provided otherwise in this Agreement or by applicable law, and except for any Claims brought under the indemnification and insurance provisions of this Agreement, any and all Claims arising out of or relating to this Agreement, the relationship between Franchisee and Mr Brews, or Franchisee's operation of the Restaurant brought by either party against the other, whether in mediation or any court proceeding, must be commenced within 12 months after the occurrence of the facts giving rise to such Claims, or such Claims will be absolutely barred and unenforceable.

26.7 Waiver of Jury Trial.

MR BREWS AND FRANCHISEE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY

EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.

26.8 Waiver of Damages.
FRANCHISEE HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY LOST FUTURE PROFITS OR PUNITIVE, EXEMPLARY, CONSEQUENTIAL, OR MULTIPLE DAMAGES AGAINST MR BREWS, AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM FRANCHISEE SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT.

26.9 Severability.
All 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 valid and enforceable. If any applicable law or rule of any jurisdiction requires a greater prior notice of the termination of this Agreement than is required hereunder or the taking of some other action not required hereunder, or if under any applicable law or rule of any jurisdiction, any provision of this Agreement or any specification, standard or operating procedure prescribed by Mr Brews is invalid or unenforceable under applicable law, then the prior notice or other action required by such law or rule will be substituted for the notice requirements hereof, or such invalid or unenforceable provision, specification, standard or operating procedure will be modified to the extent required to be valid and enforceable. Such modifications to this Agreement will be effective only in such jurisdiction.

26.10 Waiver.
Mr Brews and Franchisee may, by written instrument signed by Mr Brews and Franchisee, waive any obligation of or restriction upon the other under this Agreement. Acceptance by Mr Brews of any payment or partial payment by Franchisee and the failure, refusal or neglect of Mr Brews to exercise any right under this Agreement or to insist upon full compliance by Franchisee of its obligations hereunder will not constitute a waiver by Mr Brews of any provisions, covenants, or conditions of this Agreement, or other amounts due. Mr Brews will have the absolute right to waive obligations or restrictions for other franchisees under their franchise agreements without waiving those obligations or restrictions for Franchisee and, except to the extent provided by law, Mr Brews will have the right to negotiate terms and conditions, grant concessions and waive obligations for other franchisees without granting those same rights to Franchisee and without incurring any liability to Franchisee whatsoever.

26.11 No Oral Modification.
No modification, change, addition, rescission, release, amendment or waiver of this Agreement and no approval, consent or authorization required by any provision of this Agreement may be made by any person except by a written agreement signed by a duly authorized officer or partner of Franchisee and the President or a Vice President of Mr Brews.

26.12 Entire Agreement.
This Agreement supersedes and terminates all prior agreements, either oral or in writing, between the parties involving the franchise relationship and therefore, representations, inducements, promises or agreements alleged by either Mr Brews or Franchisee that are not contained in this Agreement will not be enforceable. The Introduction is part of this Agreement, which constitutes the entire agreement of the parties, and there are no other oral or written understandings or agreements between Mr Brews and Franchisee relating to the subject matter of this Agreement. This Agreement will not supersede any written agreements or contracts that

are signed concurrently with this Agreement. In addition, any Area Development Agreement between the parties, as well as any other Franchise Agreement(s), will remain in full force and effect in accordance with the terms and conditions thereof, and will not be superseded by this Agreement. The parties hereby acknowledge that this provision will not act as a disclaimer of the representations made by Mr Brews in the Franchise Disclosure Document provided to Franchisee prior to the execution of this Agreement by Franchisee. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

26.13 Headings; Terms.
The headings of the Articles are for convenience only and do not in any way define, limit or construe the contents of such Articles. The term "Franchisee" as used herein is applicable to one or more individuals or an Entity, as the case may be, and the singular usage includes the plural, the masculine usage includes the neuter and the feminine, and the neuter usage includes the masculine and the feminine. References to "Franchisee," "assignee" and "transferee" which are applicable to an individual or individuals will mean the Owner or Owners of the equity or operating control of Franchisee or any such assignee or transferee if Franchisee or such assignee or transferee is an Entity.

26.14 Miscellaneous.
The rights of Mr Brews hereunder are cumulative and no exercise or enforcement by Mr Brews of any right or remedy hereunder will preclude the exercise or enforcement by Mr Brews of any other right or remedy hereunder or which Mr Brews is entitled by law to enforce. This Agreement is binding upon the parties hereto and their executors, administrators, heirs, assigns and successors in interest. If Franchisee consists of more than one person or Entity, their liability under this Agreement will be deemed to be joint and several.

ARTICLE 27
NOTICES

All notices to Mr Brews will be in writing and will be made by personal service upon an officer of Mr Brews or sent by prepaid certified mail addressed to the President of Mr Brews Taphouse International, LLC, at the address on the cover page of this Agreement, or such other address as Mr Brews may designate in writing, with copies to Lathrop GPM LLP, Attention: Ryan R. Palmer, Esq., 3100 IDS Center, 80 South 8th Street, Minneapolis, Minnesota 55402. All notices to Franchisee will be made by personal service (or, if applicable, upon an officer of Franchisee) or sent by prepaid certified mail addressed to Franchisee at the Franchised Location, or such other address as Franchisee may designate in writing. For the purposes of this Agreement, personal service will include service by a recognized overnight delivery service (such as Federal Express, Airborne Express or UPS) which requires a written confirmation of delivery to the addressee. Any notice delivered in the manner specified herein will be deemed delivered and received, regardless of whether the recipient refuses or fails to sign for the notice, if addressed to the recipient at the address set forth above or the last designated or last known address of the recipient, and will be deemed effective upon written confirmation of delivery to the recipient or 3 business days after being mailed, whichever is applicable.

ARTICLE 28
ACKNOWLEDGMENTS; DISCLAIMER; MISCELLANEOUS

28.1 Disclaimer.

MR BREWS DOES NOT WARRANT OR GUARANTEE THAT FRANCHISEE WILL DERIVE INCOME OR PROFIT FROM ITS RESTAURANT, OR THAT MR BREWS WILL REFUND ALL OR PART OF THE INITIAL FEE PAID BY FRANCHISEE OR REPURCHASE ANY OF THE FOODS, BEVERAGES AND PRODUCTS, TECHNOLOGY, OR FF&E SUPPLIED OR SOLD BY MR BREWS OR BY AN APPROVED OR DESIGNATED SUPPLIER IF FRANCHISEE IS IN ANY WAY UNSATISFIED WITH ITS RESTAURANT. MR BREWS EXPRESSLY DISCLAIMS THE MAKING OF ANY EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES REGARDING THE SALES, EARNINGS, INCOME, PROFITS, REVENUES, ECONOMICS, BUSINESS OR FINANCIAL SUCCESS, OR VALUE OF FRANCHISEE'S RESTAURANT EXCEPT AS SPECIFICALLY CONTAINED IN THE FRANCHISE DISCLOSURE DOCUMENT RECEIVED BY FRANCHISEE.

28.2 Acknowledgments by Franchisee.

Franchisee acknowledges that it has conducted an independent investigation of the Franchise and recognizes that the business venture contemplated by this Agreement and the operation of the Restaurant involve business and economic risks. Franchisee acknowledges that the financial, business and economic success of Franchisee's Restaurant will be primarily dependent upon the personal efforts of Franchisee, its management and employees, on economic conditions in the area where the Franchised Location is located, and economic conditions in general. Franchisee acknowledges and agrees that the officers, directors, employees, and agents of Mr Brews act only in a representative capacity and not in an individual capacity, and that no other persons and/or Entities other than Mr Brews has or will have any duties or obligations to Franchisee under this Agreement. Franchisee acknowledges that it has not received any estimates, projections, representations, warranties or guaranties, expressed or implied, regarding potential sales, Revenues, income, profits, earnings, expenses, financial or business success, value of the Restaurant, or other economic matters pertaining to Franchisee's Restaurant from Mr Brews or any of its agents that were not expressly set forth in the Franchise Disclosure Document received by Franchisee from Mr Brews ("Representations"). Franchisee further acknowledges that if it had received any such Representations, it would have not executed this Agreement, promptly notified the President of Mr Brews in writing of the person or persons making such Representations, and provided to Mr Brews a specific written statement detailing the Representations made.

28.3 Business Judgment.

Franchisee understands and agrees that whenever Mr Brews reserves or is deemed to have reserved rights in a particular area, or where Mr Brews agrees or is deemed to be required to exercise its rights reasonably or in good faith, Mr Brews will satisfy its obligations whenever it exercises reasonable business judgment in making Mr Brews' decision or exercising a right (regardless of whether such term is expressly stated). A decision or action by Mr Brews will be deemed to be the result of reasonable business judgment, even if other reasonable or even arguably preferable alternatives are available, if Mr Brews' decision or action is intended, in whole or significant part, to promote or benefit the System generally even if the decision or action also promotes a financial or other individual interest of Mr Brews. Neither Franchisee nor any third party (including, without limitation, a trier of fact) may substitute its judgment for Mr Brews' reasonable business judgment.

28.4 Other Franchisees.
Franchisee acknowledges that other Mr Brews franchisees have or will be granted franchises at different times, different locations, under different economic conditions and in different situations, and further acknowledges that the economics and terms and conditions of such other franchises may vary substantially in form and in substance from those contained in this Agreement.

28.5 Receipt of Agreement and Franchise Disclosure Document.
Franchisee acknowledges that it received a copy of this Agreement with all material blanks fully completed at least 7 calendar days prior to the date that this Agreement was executed by Franchisee. Franchisee further acknowledges that it received a copy of Mr Brews' Franchise Disclosure Document at least 14 calendar days prior to the date on which this Agreement was executed. Franchisee confirms receiving the Franchise Disclosure Document on the date Franchisee signed the acknowledgment of receipt page (the "Receipt Page") attached to the Franchise Disclosure Document. Franchisee and Mr Brews each acknowledge receiving a signed and dated copy of the Receipt Page.

28.6 Mr Brews' Consent.
Except where expressly provided to the contrary, any consent, approval, authorization, clearance, exemption, waiver, or similar affirmation required from or by Mr Brews under the terms of this Agreement will be granted or withheld by Mr Brews in its reasonable discretion.

ARTICLE 29
FRANCHISEE'S LEGAL COUNSEL

Franchisee acknowledges that this Agreement constitutes a legal document that grants certain rights to and imposes certain obligations upon Franchisee. Franchisee has been advised by Mr Brews to retain an attorney or advisor prior to the execution of this Agreement to review the Mr Brews Franchise Disclosure Document, to review this Agreement in detail, to review all legal documents, including the Lease, all purchase agreements and architectural and construction contracts, to review the economics, operations and other business aspects of the Restaurant, to determine compliance with applicable laws, to advise Franchisee on economic risks, liabilities, obligations and rights under this Agreement, and to advise Franchisee on tax issues, financing matters, applicable state and federal laws, liquor laws, health and safety laws, environmental laws, employee issues, insurance, structure of the Restaurant business, and other legal and business matters. The name and telephone number of Franchisee's attorney or other advisor is: _____; Telephone Number: (_____) _____; Email Address: _____.

ARTICLE 30
GOVERNING LAW; STATE MODIFICATIONS

30.1 Governing Law; Severability.
Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §1051, et seq.), all claims arising out of or relating to this Agreement and/or the relationship between Mr Brews and Franchisee will be governed by the procedural and substantive laws of the state where Franchisee's Restaurant is located, unless applicable state law specifically provides otherwise. The provisions of this Agreement which conflict with or are inconsistent with applicable governing law will be superseded and/or modified by such applicable law only to the extent such provisions are inconsistent. All other provisions of this Agreement will be enforceable as originally made and entered into upon the execution of this

Agreement by Franchisee and Mr Brews. The parties agree that any state law or regulation applicable to the offer or sale of franchises or the franchise relationship will not apply unless the jurisdictional provisions are independently met. Franchisee waives, to the fullest extent permitted by law, the rights and protections provided by any such franchise law or regulation.

30.2 Applicable State Laws.

If applicable, the following states have statutes which may supersede the provisions of this Agreement in Franchisee's relationship with Mr Brews in the areas of termination and renewal of the Franchise: Arkansas [Stat. Section 70-807], California [Bus. & Prof. Code Sections 20000-20043], Connecticut [Gen. Stat. Section 42-133e, et seq.], Delaware [Code Section 2552], Hawaii [Rev. Stat. Section 482E-1], Illinois [815 ILCS 705/19-20], Indiana [Stat. Section 23-2-2.7], Michigan [Stat. Section 19.854(27)], Minnesota [Stat. Section 80C.14], Mississippi [Code Section 75-24-51], Missouri [Stat. Section 407.400], Nebraska [Rev. Stat. Section 87-401], New Jersey [Stat. Section 56:10-1], Virginia [Code 13.1-557-574-13.1-564], Washington [Code Section 19.100.180], and Wisconsin [Stat. Section 135.03]. These and other states may have court decisions that may supersede the provisions of this Agreement in Franchisee's relationship with Mr Brews in the areas of termination and renewal of the Franchise.

30.3 State Law Modifications.

If the Restaurant is located in any one of the states indicated below in this Article, or if the laws of any such state are otherwise applicable, then the designated provisions of this Agreement will be amended and revised as follows:

(a) California. If this Agreement is governed by the laws of the State of California, then: (1) the covenant not to compete upon termination or expiration of this Agreement contained in this Agreement may be unenforceable, except in certain circumstances provided by law; (2) provisions of this Agreement giving Mr Brews the right to terminate in the event of Franchisee's bankruptcy may not be enforceable under federal bankruptcy laws (11 U.S.C. §101, et seq.); and (3) the following statement should be deemed to amend this Agreement:

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

(b) Illinois. If as provided for in Article 30.1, this Agreement is governed by the laws of the State of Illinois, then: (1) the Illinois Franchise Disclosure Act of 1987 [815 ILCS 705/1-44] (the "Illinois Act") and Illinois law will be applicable to this Agreement; (2) Section 19 of the Illinois Act will be applicable to the termination of this Agreement by Mr Brews; (3) any provision of this Agreement that designates jurisdiction or venue in a forum outside of Illinois is void, provided that this Agreement may provide for mediation and arbitration in a forum outside of Illinois; (4) Section 27 of the Illinois Act will be applicable to any action maintained by Franchisee to enforce any liability created by the Illinois Act; (5) any representations made by Mr Brews in the Franchise Disclosure Document provided to Franchisee will remain valid and enforceable by Franchisee after the execution of this Agreement; (6) any condition, stipulation or provision of this Agreement requiring Franchisee to waive compliance with any provision of the Illinois Act or any other law of Illinois is void; (7) the acknowledgments made by Franchisee in

this Agreement will not be construed to act as a release, estoppel or waiver of Franchisee's rights under the Illinois Act; and (8) the following statement should be deemed to amend this Agreement:

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

(c) Maryland. If this Agreement is governed by the laws of the State of Maryland, then: (1) the provisions of this Agreement requiring jurisdiction and venue of lawsuits in the State of Wisconsin will be deleted from this Agreement, and Franchisee will have the right to commence litigation, lawsuits and other court proceedings alleging Claims arising under the Maryland Franchise Registration and Disclosure Law (the "Maryland Law") in the State of Maryland; (2) the acknowledgments made by Franchisee in this Agreement will not be construed to act as a release, estoppel or waiver of Franchisee's rights under the Maryland Law and the release agreement required to be signed upon renewal, sale, or assignment/transfer shall not apply to any liability under the Maryland Law; (3) any limitation on the period of time during which Claims must be brought will not act to reduce the thee-year statute of limitations afforded to a franchisee for bringing a claim arising under the Maryland Law, and any Claims arising under the Maryland Law must be brought within 3 years after the grant of the Franchise; (4) notwithstanding any provision of this Agreement to the contrary, nothing in this Agreement will be construed to disclaim any representations made by Mr Brews in the Franchise Disclosure Document; and (5) the following statement should be deemed to amend this Agreement:

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

(d) Minnesota. If this Agreement is governed by the laws of the State of Minnesota, then: (1) except in certain circumstances specified by Minnesota law, Mr Brews must give Franchisee at least 180 days prior written notice of nonrenewal of the Franchise; (2) except in certain circumstances provided by Minnesota law, if Mr Brews gives Franchisee written notice that Franchisee has breached this Agreement, such written notice will be given to Franchisee at least 90 days prior to the date this Agreement is terminated by Mr Brews, and Franchisee will have 60 days after such written notice within which to correct the breach specified in the written notice; (3) notwithstanding any provisions of this Agreement to the contrary, a court of competent jurisdiction will determine whether Mr Brews will be required to post a bond or other security, and the amount of such bond or other security, in any injunctive proceeding commenced by Mr Brews against Franchisee or the Owners; (4) any provision in the Agreement that requires litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes is deleted; (5) any provision in the Agreement requiring a franchisee to assent to a general release is deleted; and (6) notwithstanding any provisions of this

Agreement to the contrary, Franchisee will have up to 3 years after the cause of action accrues to bring an action against Mr Brews pursuant to Minn. Stat. §80C.17.

(e) New York. If this Agreement is governed by the laws of the State of New York, then: (1) all rights enjoyed by Franchisee and any cause of action arising in its favor from the laws of the State of New York and the regulations issued thereunder will remain in force, it being the intent of this provision that the nonwaiver requirements of General Business Law §687.4 and §687.5 be satisfied; and (2) modifications to the Operations Manual by Mr Brews will not unreasonably increase Franchisee's obligations or place an excessive economic burden on Franchisee's operations.

(f) North Dakota. If this Agreement is governed by the laws of the State of North Dakota, then: (1) the covenant not to compete upon termination or expiration of this Agreement may be unenforceable, except in certain circumstances provided by law; (2) mediation or arbitration hearings will be conducted in Fargo, North Dakota or at a mutually agreed upon location; (3) the consent by Franchisee to jurisdiction and venue in the State of Wisconsin contained in this Agreement will be inapplicable to Franchisee; and (4) any provisions of this Agreement which limit the statute of limitations period for Claims under the North Dakota Franchise Investment Law (the "North Dakota Law") or the parties' rights or remedies under the North Dakota Law, such as the right to recover exemplary or punitive damages or to a jury trial, will not be enforceable.

(g) Rhode Island. If this Agreement is governed by the laws of the State of Rhode Island, then any provision of this Agreement restricting jurisdiction or venue to a forum outside the State of Rhode Island is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

(h) South Dakota. If this Agreement is governed by the laws of the State of South Dakota, then: (1) the covenant not to compete upon termination or expiration of this Agreement may be unenforceable, except in certain circumstances provided by law; (2) any provision of this Agreement which designates jurisdiction or venue outside of the State of South Dakota or requires Franchisee to agree to jurisdiction or venue in a forum outside of the State of South Dakota is void with respect to any cause of action which is otherwise enforceable in the State of South Dakota; (3) any acknowledgment provision, disclaimer, integration clause or provision having a similar effect in this Agreement will not negate or act to remove from judicial review any statement, misrepresentation or action that violates Chapter 37-5B or a rule or order under Chapter 37-5B; (4) mediation or arbitration hearings will be conducted in Sioux Falls, South Dakota, or at a mutually agreed upon location; and (5) provisions of this Agreement which require that actions be commenced within one year and that limit the parties' rights to recover punitive, exemplary, incidental, indirect, special or consequential damages may not be enforceable under South Dakota law.

(i) Wisconsin. If this Agreement is governed by the laws of the State of Wisconsin, then the provisions of the Wisconsin Fair Dealership Law, Wis. Stat. Chapter 135, will supersede any conflicting terms of this Agreement.

ARTICLE 31
DEFINITIONS

For purposes of this Agreement, the following words will have the following definitions:

31.1 Abandon.
"Abandon" will mean the conduct of Franchisee indicating the willingness, desire or intent of Franchisee to discontinue operating its Restaurant in accordance with the quality standards, uniformity requirements and the Mr Brews System as described in this Agreement and the Operations Manual including, but not limited to, the failure of Franchisee to operate the Restaurant during the business hours specified in the Operations Manual for two or more consecutive days without the prior written approval of Mr Brews or the failure to remain open for business during the specified business hours.

31.2 Accounting Year.
"Accounting Year" will mean Franchisee's fiscal year consisting of 12 consecutive calendar months. The definition of Accounting Year may be further defined in the Operations Manual, and may in the future be changed by Mr Brews as specified in the Operations Manual or otherwise in writing by Mr Brews to address business practices and/or changes in the Internal Revenue Code.

31.3 Affiliate.
"Affiliate" will mean any Entity or individual that, directly or indirectly, owns or controls, is owned or controlled by, or is under common ownership or control with the referenced Entity.

31.4 Approved Supplier.
"Approved Supplier" will mean a supplier, vendor or distributor that has been approved in writing by Mr Brews to supply its products and/or services to Franchisee because its products and/or services conform to the standards and specifications established by Mr Brews, and Mr Brews has determined that its business reputation, quality standards, delivery performance, credit rating and other factors are satisfactory.

31.5 Area Development Agreement.
"Area Development Agreement" will mean the agreement entered into between Mr Brews and Franchisee granting Franchisee, or an Entity owned by Franchisee and/or the Owners of Franchisee (referred to as the Area Franchisee in the Area Development Agreement), the right to develop the Restaurant at the Franchised Location pursuant to the terms of this Agreement.

31.6 Assign or Assignment.
"Assign" or "Assignment" will mean sale, assignment, pledge, collateral assignment, bequeath, trade, transfer, lease or sublease.

31.7 Claims.
"Claims" will mean any and all demands, complaints, filings, assertions, requests for payment or compensation, challenges, allegations of liability, causes of action, and/or lawsuits.

31.8 Competitive Restaurant.
"Competitive Restaurant" will mean any restaurant, other than another Mr Brews Taphouse® restaurant, where: (a) 12 or more tap beer selections are offered to customers and at least 10% of its revenues are derived from the sale of alcoholic beverages; or (b) at least 50% of the food selections offered to its customers consists of hamburgers.

31.9 Confidential Information.
"Confidential Information" will mean and include all of the business, technology, marketing, operational, and proprietary information developed, created, owned or licensed by Mr Brews including, but not limited to, the following: (a) all plans and specifications relating to the

construction of any Mr Brews Taphouse® restaurant, drawings and renderings, FF&E specifications and pricing, the names of all Approved Suppliers and Designated Suppliers, pricing information for any Foods, Beverages, and Products sold to any Mr Brews Taphouse® restaurant, unpublished menus and menu designs, and all food recipes and cooking techniques, (b) all business information, practices, procedures, processes, "know how" and business and operational systems of Mr Brews, (c) all marketing strategies, programs, and concepts, training programs, Operations Manual and materials, and operational and business development concepts, (d) all exclusive sales and marketing processes taught to Franchisee's personnel during any training programs, (e) all training programs and materials, (f) all trade secrets, intellectual property, proprietary databases, computer processes, computer systems, computer software programs and all source codes for all computer software programs (excluding commercially available off-the-shelf third-party software programs), (g) all copyrighted materials that have not been publicly disclosed by Mr Brews which are marked as "confidential," (h) all patents of Mr Brews, including pending patents, (i) all password-protected websites designed, created and developed by Mr Brews, including all passwords, text, content, color schemes, images, graphics, information, look and feel, layout, methodology, metrics, graphical interfaces and functionality, and (j) all other written materials disclosed to Franchisee which have been designated as "confidential" by Mr Brews. Franchisee and its employees and agents will not disclose to any person or Entity the name, addresses or any other information relating to any customers or guests of any Mr Brews Taphouse® restaurant, including Franchisee's Restaurant, except as authorized electronically or in writing by the customer or guest.

31.10 Damages.
"Damages" will mean all judgments, losses, injuries, awards, reparations, penalties, interest, punitive damages, lost profits, pecuniary compensation, court costs, attorneys' fees, mediation, arbitration or litigation out-of-pocket costs, settlement payments, deposition and pre-trial costs, mileage, Travel Expenses, investigation fees, and all other amounts paid or incurred as a result of any Claims.

31.11 Designated Market Area.
"Designated Market Area" or "DMA" will mean each media market exclusive of another as defined by the A.C. Nielsen ratings service, the Arbitron radio ratings service or such other ratings service as may be designated by Mr Brews.

31.12 Designated Supplier.
"Designated Supplier" will mean a supplier, vendor or distributor designated by Mr Brews in writing as Franchisee's only source for those foods, food items, recipe ingredients, proprietary products, other products and services used or sold in the Restaurant that Mr Brews has determined must meet certain quality and uniformity standards to protect the valuable goodwill and uniformity associated with the Marks and the Mr Brews System.

31.13 Develop.
"Develop," for the purposes of Article 1.5(c) of this Agreement, will mean to franchise, license, own, manage or operate.

31.14 Dollars.
"Dollars" will mean United States of America dollars.

31.15 EFT.
"EFT" will mean the process relating to the electronic transfer of Fees directly from Franchisee's bank account to Mr Brews' bank account, as further described in Article 6.2 of this Agreement.

31.16 Entity.
"Entity" will mean a corporation, limited liability company, partnership, limited partnership or any other type of legal entity formed in compliance with applicable law.

31.17 Executive Management.
"Executive Management" will mean: (a) the officers and directors specified in the by-laws if Franchisee is a corporation; (b) the manager, chief manager, managers and/or governors specified in the operating agreement or by-laws if Franchisee is a limited liability company; or (c) the general partner(s) if Franchisee is a partnership or a limited partnership.

31.18 Fees.
"Fees" will collectively mean and include the Initial Fee, the Royalty Fees, the Marketing Fund Fees and all other amounts then due and payable by Franchisee to Mr Brews pursuant to this Agreement or any other agreement or for any products or services purchased by Franchisee from Mr Brews or any of its Affiliates.

31.19 FF&E.
"FF&E" will mean the furniture, fixtures, supplies and equipment used in the operation of the Restaurant.

31.20 Financial Records.
"Financial Records" will mean all accounting records and ledgers maintained in a written form, on a computer disk or hard drive, and in any other electronic or other form including, but not limited to, sales ledgers, work papers, general ledgers, summaries, schedules, bank statements, cancelled checks, bank deposit slips, federal and state income tax returns, state sales tax returns, Financial Statements, daily cash register tapes, and other financial information.

31.21 Financial Statements.
"Financial Statements" will mean a balance sheet, profit and loss statement, statement of cash flows, and explanatory footnotes prepared in accordance with generally-accepted accounting principles applied on a consistent basis.

31.22 Foods, Beverages, and Products.
"Foods, Beverages, and Products" will mean the authorized and/or proprietary foods, food items, beverages, menu items, recipe ingredients and FF&E that are specified in the Operations Manual or otherwise approved by Mr Brews in writing that are (a) used in the operation of the Restaurant, (b) used in the preparation of any foods or food items, and/or (c) offered for sale to customers of the Restaurant.

31.23 Franchise.
"Franchise" will mean the right granted by Mr Brews to Franchisee under this Agreement authorizing Franchisee to operate a Mr Brews Taphouse® restaurant at the Franchised Location in conformity with the Mr Brews System using the name "Mr Brews Taphouse®" and the other Marks.

31.24 Franchised Location.
"Franchised Location" will mean the address, city and state set forth in the Addendum to this Agreement where the Mr Brews Taphouse® restaurant to be owned and operated under this Agreement by Franchisee will be physically located.

31.25 General Manager.
"General Manager" will mean the individual responsible for the overall management and operation of the Restaurant including, but not limited to, administration, basic operations, marketing, record keeping, employee staffing and training, inventory control, hiring and firing, food preparation and maintenance of the Franchised Location.

31.26 Governmental Authority.
"Governmental Authority" will mean any governmental department, commission, board, bureau, agency, court or other instrumentality of the United States including, but not limited to, federal, state, district or commonwealth thereof, any foreign government or any jurisdiction, municipality or other political subdivision thereof.

31.27 Indemnified Parties.
"Indemnified Parties" will have the meaning given to it in Article 24.1 of this Agreement.

31.28 Kitchen Manager.
"Kitchen Manager" will mean the individual who will assist the General Manager with the management and operation of the Restaurant, with particular emphasis on the preparation of food and beverage items at the Restaurant.

31.29 Lease.
"Lease" will mean the written lease agreement and related documents signed by Franchisee for the Franchised Location.

31.30 Major Assets.
"Major Assets" will mean (a) Franchisee's Restaurant; (b) the Franchised Location; (c) the Lease for the Franchised Location; (d) the FF&E, inventory, point-of-sale system, customer lists and all other assets used in Franchisee's Restaurant; (e) this Agreement; (f) any Ownership Interest in Franchisee; (g) all FF&E leases, and (h) the land, building and related real estate used for Franchisee's Restaurant, if the land, building and real estate are owned by Franchisee.

31.31 Management Staff.
"Management Staff" means the Restaurant's General Manager and Kitchen Manager.

31.32 Marketing Fund.
"Marketing Fund" will mean the fund maintained by Mr Brews to account for the Marketing Fund Fees received by Mr Brews pursuant to Article 4.1 and the expenditure of the Marketing Fund Fees pursuant to Article 4.2.

31.33 Marks.
"Marks" will mean the name "Mr Brews Taphouse®," "Mr Brews™," and such other trademarks, trade names, service marks, logos, commercial symbols, phrases, slogans and tag lines as Mr Brews has or may hereafter create, own, develop or license for use in connection with restaurants operating under the Mr Brews System.

31.34 Mr Brews System.
"Mr Brews System" will mean the distinctive Foods, Beverages, and Products which are associated with the Marks, copyrights, distinctive interior and exterior building designs, décor, furnishings, menus, uniforms, signs, color combinations, uniformity requirements, standards of consistency and quality, procedures, cleanliness, sanitation, controls, specifications, training, advertising and instructions promulgated by Mr Brews.

31.35 Mr Brews Website.
"Mr Brews Website" will have the meaning given to it in Article 12.4 of this Agreement.

31.36 Operations Manual.
"Operations Manual" will mean the confidential and copyrighted standard operations manuals and other documents and materials developed by Mr Brews for the operation of Mr Brews Restaurants.

31.37 Owner.
"Owner" will mean any person or Entity who owns (a) any shares of capital stock in Franchisee if Franchisee is a corporation, (b) any membership interests in Franchisee if Franchisee is a limited liability company, (c) any partnership interests in Franchisee if Franchisee is a partnership, (d) any limited or general partnership interests if Franchisee is a limited partnership, and (e) any other kind or type of Ownership Interest in Franchisee. References to "Franchisee," "assignee" and "transferee" which are applicable to (i) an individual or individuals will mean the Owner or Owners of an Ownership Interest in Franchisee and (ii) an Entity will mean the Entity that has an Ownership Interest in Franchisee.

31.38 Ownership Interests.
"Ownership Interests" will mean (a) capital stock if Franchisee is a corporation, (b) membership interest if Franchisee is a limited liability company, (c) partnership interest if Franchisee is a partnership, (d) limited or general partnership interests if Franchisee is a limited partnership, and (e) all other types and means of ownership or other legal interest in Franchisee.

31.39 Per Diem Training Fee.
"Per Diem Training Fee" will mean the current daily fee charged by Mr Brews for each employee or independent contractor of Mr Brews who provides any training, coaching, consulting and/or instructing services or any operational assistance or other services to Franchisee pursuant to the terms of this Agreement. The amount of the Per Diem Training Fee will be the amount specified in the most current publication and update of the Operations Manual, and the amount of the Per Diem Training Fee may be increased from time to time, at the sole option of Mr Brews, to account for inflation, increased costs and other economic conditions.

31.40 Quarter.
"Quarter" will mean 3 consecutive calendar months. The definition of Quarter may be changed from time to time as specified by Mr Brews in the Operations Manual or otherwise in writing.

31.41 Required Opening Date.
"Required Opening Date" will mean the date that is 9 months after the date of this Agreement, unless Franchisee's Restaurant is being developed pursuant to an Area Development Agreement or other written agreement between Franchisee and Mr Brews, in which case the Required Opening Date will be the date specified in the Area Development Agreement or other written agreement between the parties hereto.

31.42 Restaurant.
"Restaurant" will mean the Mr Brews Taphouse® restaurant operated pursuant to this Agreement in conformity with the Mr Brews System under the Marks.

31.43 Revenue Report.
"Revenue Report" means the written or electronic record, in the form designated in the Operations Manual, used to report the daily and Weekly Revenues and other specified financial information for Franchisee's Restaurant.

31.44 Revenues.
"Revenues" will mean the total dollar sales from all guests or customers of Franchisee's Restaurant, and will include all cash, credit card, and credit sales made by Franchisee of every kind and nature made at, from, by or in connection with Franchisee's Restaurant including, but not limited to, all dollars and income received from the following: (a) the sale of all Foods, Beverages, and Products, including alcoholic and nonalcoholic beverages; (b) the sale of any and all goods, products, merchandise or items sold under any of the Marks; (c) all payments received from or for vending machines, telephones and electronic and other amusement games; (d) all payments received from or for slot machines, gaming machines and other gambling devices (notwithstanding this Agreement's prohibition on the use of such devices at the Franchised Location); (e) all payments received from or for lotteries, lottery tickets and pull tabs notwithstanding this Agreement's prohibition on the sale of such items at the Franchised Location; (f) all sales from the catering of Foods, Beverages, and Products; (g) all sales from the delivery of Foods, Beverages, and Products; (h) all sales of Foods, Beverages or Products for any banquet service; (i) all sales from the carry-out of Foods, Beverages, and Products; (j) all sales of Foods, Beverages, and Products at any locations or sites other than the Franchised Location; (k) all payments received from or for the redemption of gift cards and gift certificates by Franchisee's Restaurant; (l) all payments received from business interruption insurance payments made to Franchisee by any insurance company; and (m) the sale of all Foods, Beverages, and Products to its employees including sales from discounted meals provided to employees and actually paid for by employees. "Revenues" will not include (i) any sales, use or gross receipts tax imposed by any Governmental Authority directly upon sales, if the amount of the tax is added to the selling price and is charged to the customer, a specific record is made at the time of each sale of the amount of such tax, and the amount of such tax is paid to the appropriate taxing authority by Franchisee; (ii) the sale (as opposed to the redemption) of gift cards by Franchisee's Restaurant; (iii) the value of complimentary Foods, Beverages, and Products, such as house charges; and (iv) the one-time sale of any FF&E or any inventory items to a purchaser.

31.45 Salaries and Benefits.
"Salaries and Benefits" will mean the salaries, fringe benefits, including life insurance, medical insurance and retirement plans, payroll taxes, unemployment compensation, workers' compensation insurance, and all other expenses related to employment.

31.46 Travel Expenses.
"Travel Expenses" will mean all costs incurred for travel, transportation, food, lodging, telephone calls, automobile rental and all other related travel expenses.

31.47 Week or Weekly.
"Week" or "Weekly" will mean a period of seven consecutive days beginning on each Sunday and ending each Saturday.

[signatures on next pages]

IN WITNESS WHEREOF, Mr Brews, Franchisee and the Owners have respectively signed this Agreement effective as of the date set forth above.

In the Presence of:

Mr Brews Taphouse International, LLC

_____
Signature

By _____
Signature

_____
Print Name

_____
Print Name

Its _____
Title

"Franchisee"

In the Presence of:

_____
Legal Name

_____
Signature

By _____
Signature

_____
Print Name

_____
Print Name

Its _____
Title

In the Presence of:

And

_____
Signature

By _____
Signature

_____
Print Name

_____
Print Name

Its _____
Title

Each of the undersigned Owners of Franchisee hereby confirms that the Ownership Interests set forth below for each Owner are true and correct and, as a condition to Mr Brews agreeing to enter into this Agreement with Franchisee, each Owner who owns 20% or more of the Ownership Interests of Franchisee agrees to execute and be bound by the terms and conditions of the Personal Guaranty attached to this Agreement.

In the Presence of:	Names of Owners:	Percentage of Ownership:
_____ Signature	_____ Signature	_____ %
_____ Print Name	_____ Print Name	
_____ Signature	_____ Signature	_____ %
_____ Print Name	_____ Print Name	
_____ Signature	_____ Signature	_____ %
_____ Print Name	_____ Print Name	
_____ Signature	_____ Signature	_____ %
_____ Print Name	_____ Print Name	
		_____ %
	Total	100%

PERSONAL GUARANTY

THIS PERSONAL GUARANTY (this "Personal Guaranty") is made and entered into this _____ day of _____, 20___, by and between Mr Brews Taphouse International, LLC, a Wisconsin limited liability company ("Mr Brews") and each one of the undersigned personal guarantors (the "Personal Guarantors").

WHEREAS, Mr Brews and _____, (a/an) _____ ("Franchisee") have entered into a Franchise Agreement, dated the same date as set forth above, for the operation of a franchised Mr Brews Taphouse® restaurant at the Franchised Location set forth in the Franchise Agreement (the "Franchise Agreement").

WHEREAS, it is the desire of each one of the undersigned Personal Guarantors to personally guaranty the obligations of Franchisee under the Franchise Agreement and to be individually, jointly and severally bound by the terms and conditions of the Franchise Agreement.

NOW, THEREFORE, in consideration of the execution of the Franchise Agreement by Mr Brews, and for other good and valuable consideration, each one of the undersigned, for themselves, their heirs, successors, and assigns, do individually, jointly and severally hereby become surety and guaranty for the payment of all amounts and the performance of the covenants, terms and conditions of the Franchise Agreement, including the covenants not to compete, to be paid, kept and performed by Franchisee.

Obligations under Agreement. Each one of the undersigned, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in the Franchise Agreement, including the covenants not to compete, and agree that this Personal Guaranty should be construed as though the undersigned and each of them executed an agreement containing the identical terms and conditions of the Franchise Agreement. Each one of the Personal Guarantors acknowledges having received a copy of the Franchise Agreement which is incorporated herein by reference.

Default of Franchisee. If Franchisee defaults on any monetary obligation of the Franchise Agreement, then each one of the undersigned, their heirs, successors and assigns, do hereby, individually, jointly and severally, promise and agree to pay to Mr Brews the Initial Fee, Royalty Fees, Marketing Fund Fees and all other Fees due and payable to Mr Brews under the terms and conditions of the Franchise Agreement or for any purchases of goods or services made by Franchisee from Mr Brews or any Affiliate of Mr Brews.

Noncompliance by Franchisee. If Franchisee fails to comply with any other terms and conditions of the Franchise Agreement, then each one of the undersigned, their heirs, successors and assigns, do hereby, individually, jointly and severally, promise and agree to comply with the terms and conditions of the Franchise Agreement for and on behalf of Franchisee.

Obligations to Mr Brews. If Franchisee is at any time in default on any obligation to pay monies to Mr Brews or any affiliate of Mr Brews, whether for the Initial Fee, Royalty Fees, Marketing Fund Fees, goods or services purchased by Franchisee from Mr Brews or any Affiliate of Mr Brews, or for any other indebtedness of Franchisee to Mr Brews or any Affiliate of Mr Brews, then each of the undersigned, their heirs, successors and assigns, do hereby, individually,

jointly and severally, promise and agree to pay all such monies due and payable by Franchisee to Mr Brews or any Affiliate of Mr Brews upon default by Franchisee.

Binding Agreement. Each one of the Personal Guarantors warrant and represent that they have the capacity to execute this Personal Guaranty and that they will each be bound by all of the terms and conditions of this Personal Guaranty. The provisions, covenants and conditions of this Personal Guaranty will inure to the benefit of the successors and assigns of Mr Brews.

Jurisdiction and Venue. Except as precluded by applicable law, all mediation, arbitration, litigation, actions or proceedings pertaining to this Personal Guaranty will be brought and venued in accordance with the terms of the Franchise Agreement, and each one of the Personal Guarantors agrees to the dispute resolution provisions, including jurisdiction and venue, contained in the Franchise Agreement.

Personal Guarantors

Signature	Signature
Print Name	Print Name
Address	Address
City, State and Zip Code	City, State and Zip Code
Telephone	Telephone
Signature	Signature
Print Name	Print Name
Address	Address
City, State and Zip Code	City, State and Zip Code
Telephone	Telephone

Signature	Signature
Print Name	Print Name
Address	Address
City, State and Zip Code	City, State and Zip Code
Telephone	Telephone
Signature	Signature
Print Name	Print Name
Address	Address
City, State and Zip Code	City, State and Zip Code
Telephone	Telephone

EXHIBIT A
AUTHORIZATION TO HONOR ELECTRONIC FUNDS TRANSFERS

Electronic Transfer of Funds Authorization

Franchisee: _____

Location: _____

Date: _____

NEW	CHANGE

Attention: Franchise Department

The undersigned hereby authorizes Mr Brews Taphouse International, LLC ("Mr Brews"), to initiate weekly ACH debit entries against the account of the undersigned with you in payment of amounts for Royalty Fees, Marketing Fund Fees, or other amounts that become payable by the undersigned to Mr Brews. The dollar amount to be debited per payment will vary.

Subject to the provisions of this letter of authorization, you are hereby directed to honor any such ACH debit entry initiated by Mr Brews.

This authorization is binding and will remain in full force and effect until 90 days' prior written notice has been given to you by the undersigned. The undersigned is responsible for, and must pay on demand, all costs or charges relating to the handling of ACH debit entries pursuant to this letter of authorization.

Please honor ACH debit entries initiated in accordance with the terms of this letter of authorization, subject to there being sufficient funds in the undersigned's account to cover such ACH debit entries.

*** Attach VOIDED Check ***

Sincerely yours,

_____
Account Holder's Name

_____
Bank Name

_____
Street Address

_____
Branch

_____
City State Zip Code

_____
Street Address

_____
Telephone Number

_____
City State Zip Code

By _____

_____
Bank Telephone Number

Its _____

_____
Bank's Routing Number

Date _____

_____
Customer's Account Number

EXHIBIT B
TELEPHONE LISTING AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of _____, 20___, by and between Mr Brews Taphouse International, LLC ("Mr Brews"), and _____ ("Franchisee").

WHEREAS, Mr Brews is the franchisor of Mr Brews Taphouse® restaurants and the licensor of the name "Mr Brews Taphouse®" and certain other trademarks, trade names, service marks, logos and commercial symbols (the "Marks"); and

WHEREAS, Mr Brews and Franchisee have entered into a Franchise Agreement, dated the same date as this Agreement (the "Franchise Agreement") pursuant to which Franchisee is granted the right to operate a franchised Mr Brews Taphouse® restaurant (the "Restaurant") and to use the Marks in on-line and/or printed book versions of telephone directory listings for Franchisee's Restaurant; and

WHEREAS, Franchisee is authorized to continue using the Marks until such time as the Franchise Agreement is terminated or expires.

NOW, THEREFORE, Mr Brews and Franchisee hereby agree as follows:

1. Franchisee is authorized to obtain telephone service for Franchisee's Restaurant. Such service will not be used in conjunction with any other business or residential telephone service.

2. Franchisee is authorized to secure on-line and printed book White Pages, Yellow Pages and directory assistance listings for Franchisee's Restaurant only in the name of "Mr Brews Taphouse®." No other names may be used in conjunction with the Restaurant and the Marks, and no additional listings may be used with the telephone number(s) assigned to the Restaurant, unless approved in writing in advance by Mr Brews.

3. All telephone directory listings, Yellow Pages display advertising, layout, and copy will be approved in advance in writing by Mr Brews, and Franchisee agrees that it will not place any such copy unless the written approval of Mr Brews is attached. Placement of display advertising by Mr Brews or its advertising agency for Franchisee through a national Yellow Pages service will constitute automatic approval.

4. Franchisee agrees that the telephone numbers and telephone directory listings for the Restaurant will be considered to be the sole property of Mr Brews. Franchisee acknowledges that Mr Brews has the absolute right and interest in all of the telephone numbers and telephone directory listings associated with the Marks, and Franchisee hereby authorizes Mr Brews to direct the telephone company and all listing agencies to transfer all of Franchisee's telephone numbers and directory listings to Mr Brews or Mr Brews' assignee if the Franchise Agreement expires or is terminated for any reason whatsoever.

5. Upon the expiration or termination of the Franchise Agreement for any reason, Franchisee agrees that it will immediately cease all use of such telephone numbers and telephone directory listings and that all such telephone numbers and telephone directory listings will remain the sole property of Mr Brews, subject to Mr Brews' obligation to pay all fees due therefor that become due and payable after the date of the cessation of Franchisee's right to

use the Marks and the telephone numbers and telephone directory listings associated with the Marks.

6. Franchisee hereby releases and forever discharges Mr Brews and its successors or assigns and the telephone company from liability of any kind or character which results or may result directly or indirectly from Mr Brews' exercise of its rights hereunder or from the telephone company's cooperation with Mr Brews in effecting the terms of this Agreement.

7. Mr Brews will have the absolute right to notify the telephone company and all listing agencies of the termination or expiration of Franchisee's right to use all telephone numbers and all classified and other directory listings under the "Mr Brews Taphouse®" name and to authorize the telephone company and all listing agencies to transfer to Mr Brews or its assignee all telephone numbers and directory listings of Franchisee's Restaurant.

8. The telephone company and all listing agencies will have the right to accept this Agreement as evidence of the exclusive rights of Mr Brews to such telephone numbers and directory listings, and this Agreement will constitute the authority from Franchisee for the telephone company and listing agency to transfer all such telephone numbers and directory listings to Mr Brews. Franchisee will not make any Claims or commence any action against the telephone company and the listing agencies for complying with this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

"Mr Brews"	**"Franchisee"**
Mr Brews Taphouse International, LLC	_____
By _____	By _____
Its _____	Its _____

EXHIBIT C
ADDENDUM TO LEASE

THIS ADDENDUM TO LEASE (this "Addendum") is dated _____, 20 ___, and is entered into by and between:

Franchisee/Lessee: _____ ("**Lessee**")

Street Address:_____

City, State:_____

and

Lessor: _____

Street Address:_____

City, State:_____

Location:_____

Lease Agreement Date:_____

Effective Date of Franchise Agreement:_____

WHEREAS, Lessee and Lessor have entered into a Lease Agreement on the date and for the location identified above (the "Lease"), in conjunction with the opening or continuation of a Mr Brews Taphouse® restaurant (the "Restaurant") under a Franchise Agreement between Lessee and Mr Brews Taphouse International, LLC (the "Franchise Agreement"); and

WHEREAS, Lessee has requested and Lessor has agreed to incorporate certain provisions into the Lease as required by the terms of the Franchise Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties do hereby agree as follows:

1. **USES**: Lessee shall occupy and use the premises during the term of the Lease only as a Mr Brews Taphouse® restaurant.

2. **TRADE FIXTURES**: Lessee is and shall be permitted to install and use in the leased premises any and all fixtures and equipment customary or necessary to the operation of a Mr Brews Taphouse® restaurant, including, but not limited to, movable sinks and partitions, carpets, counters, shelves, and accessories and products used in connection therewith. All of such fixtures and equipment shall remain the property of Lessee and may be removed by Lessee in accordance with the law relating to the removal of trade fixtures, no matter how the same may be installed in, attached to or affixed to the premises.

3. **SIGNS**: Lessee is hereby given the right, at Lessee's expense, to install and maintain during the term of the Lease, and any extension of the term hereof, a sign or signs

advertising Lessee's business in, on or about the leased premises, subject to Lessor's prior approval (not to be unreasonably withheld) and Lessee's compliance with all applicable governmental regulations and receipt of all requisite permits, at Lessee's sole cost and expense. Lessor agrees that the signs may at Lessee's discretion be the maximum size permitted by local code. The signs shall at all times remain the property of Lessee and may be removed by Lessee in accordance with the law relating to the removal of trade fixtures, no matter how the same may be installed on, attached to or affixed to the premises, provided Lessee shall promptly repair any and all damage caused by such removal.

4. **GRACE PERIODS**: Lessee shall not be deemed in default or breach of the Lease unless Lessee shall fail to pay the rent within ten (10) days after the receipt of written notice, and as to any other term, provision, condition or covenant hereof, unless Lessee shall fail to cure or reasonably commence to cure said default or breach within thirty (30) days after written notice from Lessor to Lessee specifying said default or breach.

5. **SUBORDINATION**: Lessor shall use reasonably commercial efforts to deliver to Lessee before commencement, from each mortgagee (including trustee of a trust deed) and ground lessor of real estate including, in whole or in part, the leased premises, a subordination and non-disturbance agreement in mortgagee's standard form providing that this Lease and Lessee's right to possession of the leased premises shall not be disturbed by such mortgagee or ground lessor or any other person or party claiming under or through such mortgagee or ground lessor, provided that Lessee continues to observe and perform Lessee's obligations under the Lease and pay rent to whomsoever may be lawfully entitled to the same from time to time.

6. **DEFAULT/ASSIGNMENT**: Lessor agrees that in the event of default by Lessee under the terms and conditions of the Lease, Lessor will permit the Lease to be assumed by Mr Brews Taphouse International, LLC or its designee, on the same terms and conditions contained in the Lease, as modified by this Addendum. Lessor agrees to give notice to Mr Brews Taphouse International, LLC of any default by Lessee under the terms and conditions of the Lease and to give Mr Brews Taphouse International, LLC thirty (30) days written notice to cure such default and to permit Mr Brews Taphouse International, LLC, at its sole discretion, to assume the Lease for the remainder of the term herein, and to exercise any renewal options. Lessor further agrees that in the event that Lessee's Franchise Agreement should terminate for any reason, upon receipt by Lessor of notice to that effect from Mr Brews Taphouse International, LLC, Lessor will permit Mr Brews Taphouse International, LLC to enter the premises and to become the lessee or to the designate another successor lessee under the same terms and conditions contained in the Lease. Mr Brews Taphouse International, LLC will have the option, but not the obligation, to exercise the assumption rights granted to it under this provision of this Addendum. Lessee specifically agrees that Lessor will transfer the Lease to Mr Brews Taphouse International, LLC or its designee upon Mr Brews Taphouse International, LLC's notice to Lessor of intent to assume the Lease.

7. **ESTOPPEL**: Lessor will promptly upon request of Mr Brews Taphouse International, LLC deliver to Lessee, Mr Brews Taphouse International, LLC, or such other party as Mr Brews Taphouse International, LLC may designate: (i) written confirmation (a) that the Lease is in full force and effect without modification or amendment, and (b) that Lessee is not in default under the terms of the Lease, and/or (ii) such other information, documents, confirmations and/or certifications regarding the Lease as may be reasonably requested by Mr Brews Taphouse International, LLC (or, to the extent that Lessor is unable to comply, identifying with particularly the reasons why compliance with Mr Brews Taphouse International, LLC's

request is not possible). Lessor shall comply with this paragraph of this Addendum at no charge to Lessee or Mr Brews Taphouse International, LLC

8. **LIEN WAIVER**: Lessor shall have no lien upon the assets of Lessee. Lessor waives any statutory "landlord's lien" on the assets of Lessee. Upon request, Lessor will execute and deliver to Lessee or to Mr Brews Taphouse International, LLC a waiver of lien waiver or other acknowledgment that Lessor has no lien on the assets of Lessee.

9. **REPORT OF SALES**: Lessor is authorized to provide and disclose to Mr Brews Taphouse International, LLC, upon its request, sales and other information furnished to Lessor by Lessee.

10. **INSPECTION**: Lessor shall permit representatives of Mr Brews Taphouse International, LLC to enter upon the premises during regular business hours for the purposes of conducting inspections of Lessee's Restaurant.

11. **NOTICES**: Copies of all notices to be sent to or served upon Lessee shall be also mailed to Mr Brews Taphouse International, LLC, N9059 Riverview Road, Birnamwood, WI 54414.

12. **CONFLICT**: If there is any conflict between a provision of the Lease and a provision of this Addendum, then the applicable provision of this Addendum will supersede the conflicting provision in the Lease.

13. **ACKNOWLEDGMENTS**: Lessor hereby acknowledges that the provisions of this Addendum are required pursuant to the Franchise Agreement under which Lessee plans to operate the Restaurant, and Lessee would not lease the Restaurant premises without this Addendum. Lessor further acknowledges that Lessee is not an agent or employee of Mr Brews Taphouse International, LLC and Lessee has no authority or power to act for, or to create any liability on behalf of, or to in any way bind Mr Brews Taphouse International, LLC or any affiliate of Mr Brews Taphouse International, LLC, and that Lessor has entered into this Addendum with full understanding that it creates no duties, obligations or liabilities of or against Mr Brews Taphouse International, LLC or any affiliate of Mr Brews Taphouse International, LLC, unless and until the Lease is assumed and accepted in writing by, Mr Brews Taphouse International, LLC or a designee of Mr Brews Taphouse International, LLC

14. **THIRD PARTY BENEFICIARY**: Mr Brews Taphouse International, LLC is an express third party beneficiary of this Addendum and the Lease and may, directly or indirectly, enforce any right of Mr Brews Taphouse International, LLC or Lessee hereunder.

15. **MODIFICATIONS**: The provisions of the Lease and/or this Addendum will not be modified, amended, extended, assigned or terminated without the prior written consent of Mr Brews Taphouse International, LLC

The parties are signing this Addendum as of the date first above written.

LESSOR:	**LESSEE:**
_____	_____
By: _____	By: _____
Its: _____	Its: _____

ADDENDUM TO
MR BREWS TAPHOUSE INTERNATIONAL, LLC FRANCHISE AGREEMENT

FOR

ADDRESS OF FRANCHISED LOCATION:

_____
Street

_____
City, State, Zip Code

AND

DESIGNATED AREA:

The area within a _____ mile radius of the Franchised Location for Franchisee's Restaurant

Dated: _____, 20___

Mr Brews Taphouse International, LLC

By _____

Its _____

_____
Name of Franchisee

By _____

Its _____

DESCRIPTION OF AREA WHERE FRANCHISEE WILL HAVE THE RIGHT TO LOCATE THE RESTAURANT UNTIL THE ADDRESS OF THE FRANCHISED LOCATION HAS BEEN DETERMINED:

_____

_____
(include if possible the City, County and State)

Dated: _____, 20___

Mr Brews Taphouse International, LLC

By _____

Its _____

_____
Name of Franchisee

By _____

Its _____

ADDENDUM TO
MR BREWS TAPHOUSE INTERNATIONAL, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF ILLINOIS

THIS ADDENDUM TO THE FRANCHISE AGREEMENT (this "Addendum") is made, entered into and effective this _____ day of _____, 20____ by and between Mr Brews Taphouse International, LLC ("Mr Brews") and _____ ("Franchisee") to amend and revise certain provisions of the Franchise Agreement between Mr Brews and Franchisee, dated the same date as this Addendum, as follows:

Illinois law governs the Franchise Agreement(s).

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.

Your rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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.

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

[*Signature page follows*]

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it will be effective as of the date first above written.

MR BREWS TAPHOUSE INTERNATIONAL, LLC	_____ Name of Franchisee
By_____	By_____
Its_____	Its_____

Mr Brews Taphouse International, LLC

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT E

AREA DEVELOPMENT AGREEMENT

Mr Brews Taphouse International, LLC
N9059 Riverview Road
Birnamwood, WI 54414
Telephone: (608) 556-1775

AREA DEVELOPMENT AGREEMENT

Area Developer

_____
Legal Name

_____
Street

_____
City, State, Zip Code

_____
Telephone Number/Facsimile Number

_____
Email Address

_____, 20___
Date of Area Development Agreement

Mr Brews Taphouse International, LLC

DEVELOPMENT AGREEMENT INDEX

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Mr Brews Taphouse International, LLC

AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT (this "Agreement") is made, entered into and effective this _____ day of _____, 20___, by and between Mr Brews Taphouse International, LLC, a Wisconsin limited liability company ("Mr Brews"), and _____, a(n) _____ ("Area Developer").

In consideration of the mutual promises and covenants set forth in this Agreement, Mr Brews and Area Developer agree as follows:

ARTICLE 1
INTRODUCTION

1.1 Mr Brews System.
Mr Brews has developed a distinctive business system for operating and franchising restaurants featuring a variety of craft beer selections and high-quality hamburgers served on bakery fresh buns along with other food and beverage products in a distinctive, casual, and family-friendly atmosphere under the name Mr Brews Taphouse® (the "Mr Brews System"). Mr Brews has extensively publicized the name "Mr Brews Taphouse®" to the public as an organization of restaurant businesses operating under the Mr Brews System. Mr Brews may modify the Mr Brews System in the exercise of its business judgment and may authorize regional or local variations in the Mr Brews System, tests of potential new menu items or products, and the introduction of menu items or products in stages over time, all in the exercise of its business judgment to enhance the marketing, consumer acceptance, competitive position, compliance obligations, and other objectives intended to facilitate operations.

1.2 Marks.
Mr Brews has the right and authority to license the use of the name "Mr Brews Taphouse®" and the other Marks for use in connection with the Mr Brews System to selected persons, businesses or Entities that will comply with the Mr Brews uniformity requirements and quality standards. Mr Brews intends, in the exercise of its business judgment, to develop, use and control the use of the Marks in order to identify for the public the source of the Foods, Beverages, and Products and related services marketed under the Mr Brews System, and to represent to the public the Mr Brews System's high standards of quality, appearance, cleanliness and service.

1.3 Area Developer's Objective.
Area Developer desires to enter into Franchise Agreements with Mr Brews to develop, own and operate Mr Brews Taphouse® restaurants (the "Mr Brews Restaurants" or the "Restaurants") in the territory defined in Article 2.1 of this Agreement in strict conformity with the Mr Brews System and Mr Brews' uniformity requirements and quality standards, as may be established by Mr Brews from time to time. Area Developer understands the importance of the high standards of quality, appearance, procedures, controls, cleanliness and service established by Mr Brews, and the necessity of operating the Restaurants in strict conformity with the standards and specifications established by Mr Brews.

1.4 Personal Guaranty.
All Owners of Area Developer who own 20% or more of the Ownership Interests of Area Developer (and, if married, such Owners' spouses), and (b) the Owners of at least 50% of the

total Ownership Interests of Area Developer (and, if married, such Owners' spouses), must sign the Personal Guaranty attached to this Agreement.

ARTICLE 2
GRANT OF DEVELOPMENT RIGHTS; TERRITORY

2.1 Territory.
Mr Brews hereby grants to Area Developer, for the term of this Agreement, the right to enter into Franchise Agreements with Mr Brews for the development and operation of Mr Brews Restaurants to be located within the "Territory" defined as the geographical area described and delineated as follows: _____

_____

_____

The Territory may be further described in a map attached hereto and signed by both Area Developer and Mr Brews. This Agreement will not constitute the sale of a Franchise to Area Developer, but rather will give Area Developer the right to enter into Franchise Agreements with Mr Brews to own and operate franchised Mr Brews Restaurants in the Territory.

2.2 Limited Exclusivity.
Mr Brews will not Develop a Mr Brews Restaurant within Area Developer's Territory. No other type of exclusivity is intended. Mr Brews and its licensees, appointees, designated franchisees and agents have the absolute and exclusive right to advertise, promote, and sell all of the Foods, Beverages, and Products associated with the Mr Brews System at special promotions conducted within or outside of the Territory. Mr Brews has the absolute and exclusive right to (i) Develop other restaurant business concepts of any kind under other brand names anywhere, even if the locations for the concepts are within the Territory; and (ii) Develop Mr Brews Restaurants in the Territory if they are located at or within an airport, a train station or other mass transit facility, a theme or entertainment park, a stadium or arena or other venue for semi-professional or professional sports, a military installation, within the boundaries of a school, college, university, or hospital, or at other similar venues that Mr Brews determines, in the exercise of its reasonable business judgment, to be entirely or in principal part "captive markets." Mr Brews has the absolute and exclusive right to, market, distribute, and sell or license for sale, on a wholesale or retail basis, seasonings, sauces, food products, clothing, or any other products under any of the Marks, by direct sale, the Internet, mail order, infomercials, telemarketing, or by any other marketing or distribution method, even if such sales are made to customers, distributors, or retailers or ultimate consumers who are located in the Territory.

2.3 Use of Marks.
Area Developer will have the right to use the Marks only in the Territory and only in connection with the development of Mr Brews Restaurants pursuant to this Agreement. Area Developer will only use the Marks designated by Mr Brews in writing and only in the manner authorized and permitted by Mr Brews. Area Developer and its Executive Management, Management Staff, employees and agents will not have the right to use any of the Marks or other intellectual property of Mr Brews on any social network, social media or online community on the Internet or any other online, digital or electronic medium including, but not limited to, any "blog," YouTube, Facebook, MySpace, Wikipedia, professional networks like Linked-In, live-blogging tools like Twitter, virtual worlds, file, audio and video sharing sites, and other similar social networking media or tools ("Social Media"), except with the prior written permission of Mr Brews. Area Developer and its Executive Management, Management Staff, employees and agents will comply with all of Mr Brews' policies, standards and procedures for use of any Social Media that in any way references the Marks or involves the Restaurants in the Territory.

2.4 Conditions.
Area Developer hereby undertakes the obligation to open and operate franchised Mr Brews Restaurants using the Mr Brews System in the Territory in strict compliance with the terms and conditions of this Agreement for the entire term of this Agreement. The rights and privileges granted to Area Developer by Mr Brews under this Agreement are applicable only in the Territory, are personal in nature, and may not be used elsewhere or in any other area by Area Developer.

2.5 Personal License.
Area Developer will not have the right to franchise, subfranchise, license or sublicense its rights under this Agreement. Area Developer will not have the right to Assign this Agreement or its rights under this Agreement, except as specifically provided for in this Agreement.

ARTICLE 3
TERM; RIGHT OF FIRST REFUSAL

3.1 Term.
This Agreement will be in effect for a term ending _____ (____) years after the date set forth on Page D-1 of this Agreement, or on the date Area Developer has completed development of the cumulative number of Mr Brews Restaurants required under the Development Schedule set forth in Article 5.1, whichever is earlier. This Agreement will not be enforceable until it has been signed by both Area Developer and Mr Brews. Subject to the provisions of Article 3.2, at the end of the term of this Agreement, Area Developer's exclusive development rights with respect to the Territory will automatically terminate, and Area Developer will not have the right to renew or extend the term of this Agreement.

3.2 Area Developer's Right of First Refusal.
For a period of one year after the term of this Agreement expires according to the provisions of Article 3.1, Area Developer will, subject to the terms and conditions contained in this provision, have the right of first refusal to own and operate Mr Brews Restaurants in the Territory (as defined by this Agreement), provided that during the entire term of this Agreement, Area Developer, and any subsidiary or affiliate of Area Developer, has complied in all respects with the terms and conditions of this Agreement and the Franchise Agreements for all of the Mr Brews Restaurants owned by Area Developer and its subsidiaries and affiliates, and has timely paid the Development Fee, Initial Fees, Royalty Fees and other Fees to Mr Brews as required by this Agreement and the respective Franchise Agreements with Mr Brews. Mr Brews will not own, operate or develop or offer any third party the right to own, operate, develop or franchise any Mr Brews Restaurants in the Territory without first offering the right to Area Developer in a written offer that contains a general summary of the terms and conditions of the proposed transaction, including the Development Fee, the number of Mr Brews Restaurants to be developed and opened, the Development Schedule, and the Initial Fees, the Royalty Fees and all other Fees payable pursuant to the then-current standard Franchise Agreement. If Area Developer fails to accept the offer contained in the written notice within 30 days after receipt, then Area Developer's right of first refusal will terminate in all respects and Mr Brews will have the right to develop, own, operate or franchise Mr Brews Restaurants in the Territory in accordance with the terms and conditions of the written offer. If Area Developer accepts the offer contained in the written notice, then Area Developer will have 30 days after the date of acceptance to sign the new Area Development Agreement and/or the new Franchise Agreement (the "Required Agreements"), as the case may be, and to pay all Fees due thereunder to Mr Brews. If Area Developer fails to sign the Required Agreements within 30 days after the date of acceptance, then Area Developer's right of first refusal will terminate in all

respects, and Mr Brews will have the right to own, operate, develop or franchise Mr Brews Restaurants in the Territory in accordance with the terms and conditions of the written offer.

ARTICLE 4
FEES PAYABLE TO MR BREWS

4.1 Development Fee.
On the date this Agreement is executed by Area Developer, Area Developer will pay Mr Brews a Development Fee in the amount of $_____ (the "Development Fee"). The amount of the Development Fee will be equal to 25% of the applicable Initial Fee, as set forth in Article 4.2 below, for each Mr Brews Restaurant that Area Developer is required to open and operate in the Territory pursuant to the Development Schedule set forth in Article 5.1 of this Agreement. The Development Fee will be nonrefundable and will be fully earned by Mr Brews when the Development Fee is paid by Area Developer. The Development Fee is payment to Mr Brews for granting Area Developer the rights, as set forth in this Agreement, to develop Mr Brews Restaurants in the Territory.

4.2 Initial Fees.
In addition to the Development Fee, Area Developer will, on the day Area Developer signs each Franchise Agreement pursuant to the terms of this Agreement, pay Mr Brews the remaining balance of the Initial Fee for each Restaurant that Area Developer is required to open and operate in the Territory pursuant to the Development Schedule set forth in Article 5.1 of this Agreement. The Initial Fees payable for the Restaurants owned and operated by Area Developer in the Territory will be as follows:

Restaurants in Territory	Amount of Initial Fee	25% of Initial Fee Included in Development Fee	Remaining Balance of Initial Fee Paid When Franchise Agreement Signed
1st	$45,000	$11,250	$33,750
2nd	$40,000	$10,000	$30,000
3rd and each subsequent Restaurant in Territory	$35,000	$8,750	$26,250

Area Developer will pay Mr Brews the Initial Fees set forth in this provision, even if the Initial Fee that is then charged by Mr Brews when the Franchise Agreement for a particular Restaurant is signed by the parties is different from the Initial Fee specified herein.

4.3 Execution of Franchise Agreements; Payment of Initial Fees.
Area Developer will pay Mr Brews the remaining balance of the Initial Fee set forth in Article 4.2 of this Agreement on the date Area Developer executes the Franchise Agreement for each Restaurant required to be opened and operated in the Territory pursuant to this Agreement. Area Developer must execute a Franchise Agreement for its first Restaurant and pay the first Initial Fee on the date Area Developer executes this Agreement. Contemporaneous with the execution of the 2nd and subsequent Franchise Agreements signed by the parties in compliance with the Development Schedule, Area Developer and its affiliates will execute a general release, in a form satisfactory to Mr Brews, of any and all Claims against Mr Brews, its current and former Affiliates and their respective past and present officers, directors, Owners, agents and employees, in their corporate and individual capacities, arising from, in connection with, or as a result of prior or concurrent written agreements, including this Agreement and the

prior Franchise Agreement(s) executed in compliance with the Development Schedule. Area Developer will not purchase or lease the property for the proposed site for the Franchised Location until Area Developer has signed a Franchise Agreement with Mr Brews and complied with the applicable provisions of the Franchise Agreement relating to the selection of the site for the Franchised Location.

4.4 Royalty Fee.

During the term of each Franchise Agreement signed by Area Developer pursuant to this Agreement, Area Developer will pay Mr Brews a Royalty Fee, as defined in the Franchise Agreement. Area Developer will pay Mr Brews the Royalty Fee for each of its Mr Brews Restaurants at the rate set forth in the first Franchise Agreement signed by Area Developer and Mr Brews pursuant to this Agreement, even if the Royalty Fee then charged to area developers by Mr Brews at the time Area Developer signs a subsequent Franchise Agreement is different. For each of its Mr Brews Restaurants, Area Developer will pay the Royalty Fee on the day specified in, and in accordance with the other terms and conditions of, the Franchise Agreement for that Restaurant.

4.5 Marketing Fund Fee; Other Fees.

During the term of each Franchise Agreement signed by Area Developer pursuant to this Agreement, Area Developer will pay Mr Brews the Marketing Fund Fees, as defined in the Franchise Agreement. Area Developer will pay Mr Brews the Marketing Fund Fees for the Mr Brews Restaurants at the rate set forth in each then-current standard Franchise Agreement executed in accordance with the Development Schedule in Article 5.1 and as required by Article 6.2. For each of its Mr Brews Restaurants, Area Developer will pay the Marketing Fund Fees on the day specified in, and in accordance with the other terms and conditions of, the Franchise Agreement for that Restaurant. Except as set forth in this Article, Area Developer will pay the Fees, payments and other monetary obligations payable to Mr Brews and others at the rates, in the amounts and in the manner specified in the then-current standard Franchise Agreement executed by Mr Brews and Area Developer for each Restaurant in the Territory.

ARTICLE 5
DEVELOPMENT SCHEDULE

5.1 Development Schedule.

Area Developer acknowledges and agrees that the following Development Schedule is a material provision of this Agreement:

Restaurant Number	Date by Which Franchise Agreement Must be Signed	Date by Which Mr Brews Restaurant Must be Opened and Continuously Operating in Territory	Cumulative Number of Mr Brews Restaurants Required to be Open and Continuously Operating in Territory as of Date in Preceding Column
1	Date of this Agreement		1
2			2

Restaurant Number	Date by Which Franchise Agreement Must be Signed	Date by Which Mr Brews Restaurant Must be Opened and Continuously Operating in Territory	Cumulative Number of Mr Brews Restaurants Required to be Open and Continuously Operating in Territory as of Date in Preceding Column

For purposes of determining compliance with the Development Schedule set forth in this Article, only Area Developer's Restaurants actually open and continuously operating in the Territory as of a given date will be counted toward the number of Mr Brews Restaurants required to be open and continuously operating. Notwithstanding any provision in the Franchise Agreement to the contrary, Area Developer will be required to open the Mr Brews Restaurants developed by Area Developer under this Agreement according to the development dates set forth above in the Development Schedule, and the Franchise Agreement for each of Area Developer's Restaurants will be deemed to be amended accordingly.

5.2 Reasonableness of Development Schedule.
Area Developer represents that it has conducted its own independent investigation and analysis of the prospects for the establishment of Mr Brews Restaurants within the Territory, and approves of the Development Schedule as being reasonable and viable.

5.3 Extension of Development Schedule.
Area Developer's failure to comply with the Development Schedule will constitute a material breach of this Agreement by Area Developer. However, Area Developer will have the right to one 60-day extension of each deadline set forth in the Development Schedule upon written notice to Mr Brews before the expiration of the deadline stating that Area Developer will not be able to meet the deadline due to construction delays or similar circumstances beyond the reasonable control of Area Developer.

5.4 Failure to Comply with Development Schedule.
If Area Developer at any time during the term of this Agreement is not in compliance with the Development Schedule (i.e., does not have the required number of Mr Brews Restaurants open and operating in the Territory as of the dates specified in Article 5.1 and has not given Mr Brews written notice of an extension in accordance with the preceding provision), then Mr Brews will have the right to terminate this Agreement immediately upon written notice to Area Developer. Termination of this Agreement as a result of Area Developer's failure to meet the Development Schedule will not affect the individual Franchise Agreements for the Mr Brews Restaurants opened and operated in the Territory pursuant to this Agreement which were signed by the parties prior to termination of this Agreement; however, upon termination of this Agreement, all rights to open and operate additional Mr Brews Restaurants in the Territory and all other rights granted to Area Developer under this Agreement will immediately revert to Mr Brews, without affecting those obligations of Area Developer that continue beyond the termination of this Agreement.

5.5 Termination for Failure to Comply with Development Schedule.
If this Agreement is terminated by Mr Brews because of Area Developer's failure to meet the Development Schedule, the rights and duties of Mr Brews and Area Developer will be as

follows: (a) Area Developer will have no rights to open additional Mr Brews Restaurants within the Territory; (b) Area Developer will continue to pay all required Fees and to operate its Restaurants opened in the Territory pursuant to the terms of the applicable Franchise Agreements signed by Area Developer prior to the date of the termination of this Agreement, and will in all other respects continue to comply with such Franchise Agreements; (c) Mr Brews will have the absolute right to Develop Mr Brews Restaurants in the Territory or to contract with other persons for the development of additional Restaurants in the Territory; (d) Area Developer will have no right to obtain a refund of any monies it paid to Mr Brews pursuant to this Agreement or the Franchise Agreements; and (e) Area Developer and Mr Brews will not have any rights or obligations with respect to the Franchise Agreements required to be signed pursuant to the Development Schedule in Article 5.1, but which were not executed prior to the termination of this Agreement by Mr Brews because of Area Developer's failure to comply with the Development Schedule.

ARTICLE 6
OTHER OBLIGATIONS OF AREA DEVELOPER

6.1 Compliance with Applicable Laws.
Area Developer will, at its expense, comply with all applicable federal, state, city, local and municipal laws, ordinances, rules and regulations pertaining to the operation of Area Developer's Restaurants in the Territory. Area Developer will, at its expense, be absolutely and exclusively responsible for determining the licenses and permits required by law for Area Developer's Restaurants, for qualifying for, and obtaining and maintaining, all such licenses and permits, and for compliance with all applicable laws by its employees, agents and independent contractors. Notwithstanding any rights or obligations set forth herein, no part of this Agreement shall be read to require Area Developer to engage in acts or practices that violate any law.

6.2 Execution of Franchise Agreements.
Subject to the provisions set forth in Articles 4.2 and 4.4 of this Agreement, for each Mr Brews Restaurant that will be opened, owned and operated by Area Developer in the Territory pursuant to this Agreement, Area Developer or an Entity in which (a) Area Developer is the Owner of at least 50.1% of the Ownership Interests in the Entity or (b) Area Developer's Owners are the Owners of at least 50.1% of the Ownership Interests in the Entity (the "Controlled Entity") must execute Mr Brews' then-current standard Franchise Agreement and comply with the other requirements of this Agreement. The failure of Area Developer or the Controlled Entity to provide Mr Brews with an executed Franchise Agreement within the time specified in Articles 4.3 and 5.1 will constitute a material breach of this Agreement, and Mr Brews will have the right to terminate this Agreement as provided for herein. If the Franchise Agreement required to be executed pursuant to this Article (and the other provisions of this Agreement) will be executed by the Controlled Entity, then: (i) Area Developer (or Area Developer's Owners) will, at all times during the term of the Franchise Agreement, be required to maintain at least a 50.1% Ownership Interest in the Controlled Entity and (ii) Area Developer will not be relieved from complying with the terms, conditions and obligations under this Agreement including, without limitation, Area Developer's obligations contained in ARTICLES 4, 5, 6, 7, 9, 11, 12 and 13 of this Agreement. If Area Developer elects to have a Controlled Entity execute the Franchise Agreement for any Mr Brews Restaurant being developed under this Agreement, then all terms, conditions and obligations under this Agreement relating to compliance with the Franchise Agreement for that Restaurant will be the obligation of the Controlled Entity, and not Area Developer.

6.3 Local Advertising; Other Payments.
During the term of each Franchise Agreement signed by Area Developer pursuant to this Agreement, Area Developer will be required to spend monies for items such as grand opening advertising and promotion, approved Local Advertising, and other related expenses. Area Developer will pay all such required promotional and advertising expenses at the rates established in, and in accordance with the terms and conditions of, the applicable Franchise Agreements for each of Area Developer's Restaurants in the Territory.

6.4 Modifications to Franchise Agreement.
Area Developer acknowledges that (a) the terms, conditions and economics of the Franchise Agreement may be modified from time to time by Mr Brews, (b) reasonable modifications and amendments to the Franchise Agreement will not alter Area Developer's obligations under this Agreement, (c) any changes or modifications made to the Franchise Agreement in the future will not be applicable to any Franchise Agreement previously executed by Area Developer, (d) any Franchise Agreement signed by Area Developer pursuant to this Agreement will require Area Developer to pay the Initial Fee set forth in Article 4.2 and the Royalty Fee set forth in Article 4.4, regardless of whether these Fees have increased in the future, and (e) Area Developer will be required to pay any additional Fees contained in any Franchise Agreement signed by Area Developer after the date of this Agreement.

6.5 Area Developer's Name.
Area Developer will not use any of the Marks, any derivative of the marks, or the name "Mr Brews" or any derivative or confusingly similar word or phrase in the name of any Entity formed by Area Developer or any affiliate of Area Developer. Area Developer will at all times hold itself out to the public as an independent contractor operating its Restaurants pursuant to Franchise Agreements with Mr Brews. Area Developer will file for a certificate of assumed name in the manner required by applicable state law to notify the public that Area Developer is operating its Restaurants as an independent contractor.

6.6 Interests of Operating Company.
Area Developer's operating company will be dedicated solely to the development and operation of Area Developer's Restaurants in the Territory and will not hold any interest in, operate, or manage any other business of any kind without the prior written approval of Mr Brews.

6.8 Opening Assistance.
Mr Brews will be responsible for complying with all opening assistance requirements for each Restaurant pursuant to the applicable Franchise Agreement, except as modified by this Article 6.8. Area Developer will designate up to two General Managers to become certified trainers who will attend and successfully complete the training program designated by Mr Brews (the "Certified Trainers"). Area Developer's Certified Trainers will participate in the on-site training and opening assistance provided at Area Developer's second and each subsequent Restaurant thereafter opened in the Territory pursuant to this Agreement. Notwithstanding anything to the contrary in any Franchise Agreement between Mr Brews and Area Developer, the number of Opening Team Members provided by Mr Brews and the number of Certified Trainers for each Restaurant opened pursuant to a Franchise Agreement executed in accordance with this Agreement will be as set forth in the following chart:

Restaurant No.	Minimum Number of Opening Team Members Provided by Mr Brews	Number of Certified Trainers Provided by Area Developer
1st	5	0
2nd and each subsequent Restaurant in Territory	2	2

Mr Brews will not be required to provide more Opening Team Members than set forth in the above table, but may do so in its sole discretion.

ARTICLE 7
ASSIGNMENT

7.1 Assignment of Agreement by Mr Brews.
This Agreement (and any interests herein) may be unilaterally Assigned by Mr Brews to a person or Entity without the approval of Area Developer and, upon assignment, will inure to the benefit of the successors and assigns of Mr Brews. Mr Brews will provide Area Developer with written notice after the Assignment has been completed. Any assignee will be required to fully perform all obligations of Mr Brews under this Agreement.

7.2 Assignment of Agreement to Beneficiary or Entity.
If Area Developer is an individual and has personally signed this Agreement, then in the event of the death or permanent disability of Area Developer, this Agreement may be Assigned to any designated person or beneficiary (the "Beneficiary") without the payment of any Assignment Fee and without complying with ARTICLE 10. However, the Assignment of this Agreement to Area Developer's Beneficiary will be subject to the applicable provisions of Article 7.3(b) - (i) and will not be valid or effective until Mr Brews has received the properly executed legal documents which its attorneys deem necessary to document the Assignment of this Agreement to the Beneficiary. The Beneficiary must agree to be unconditionally bound by the terms and conditions of this Agreement and must successfully complete the Training Program. There will be no charge to the Beneficiary for attending the Training Program; however, the Salary and Benefits and the Travel Expenses of the Beneficiary will be paid by the Beneficiary. In addition, this Agreement may be Assigned by Area Developer to an Entity without the payment of an Assignment Fee and without complying with ARTICLE 10 if Area Developer is an individual or a general partnership, provided that the Owner or Owners of the Entity are the same person or persons who signed this Agreement.

7.3 Assignment by Area Developer.
Subject to the provisions of ARTICLE 10, Area Developer will not Assign any interest in or any part of this Agreement to any person or Entity without the prior written approval of Mr Brews. Mr Brews will not withhold its written consent to any Assignment of this Agreement if the Assignment does not violate any of the terms of this Agreement, if Mr Brews does not exercise its rights under ARTICLE 10 of this Agreement, and if Area Developer and/or the assignee Area Developer are in full compliance with the following terms and conditions: (a) Area Developer has provided written notice to Mr Brews of the proposed Assignment of this Agreement at least 45 days prior to the transaction; (b) all of Area Developer's monetary obligations due to Mr Brews have been paid in full, and Area Developer is not otherwise in default under this Agreement; (c) Area Developer has agreed in writing to observe all applicable provisions of this Agreement, including the covenants not to compete contained in this Agreement; (d) Mr Brews

and Area Developer have executed a joint and mutual release, in a form satisfactory to Mr Brews, of any and all Claims against Mr Brews and/or Area Developer and their respective Executive Management, Owners, agents and employees, in their corporate and individual capacities, arising from, in connection with, or as a result of this Agreement including, without limitation, all Claims arising under any federal or state franchising laws or any other federal, state or local law, rule or ordinance; provided, however, that Mr Brews and Area Developer may specifically exclude from the coverage of the release any prior or concurrent written agreements or Franchise Agreements between them for other Mr Brews Restaurants owned by Area Developer; (e) the assignee Area Developer has demonstrated to the satisfaction of Mr Brews that he, she or it meets the managerial, financial and business standards required by Mr Brews for new area developers, possesses a good business reputation and credit rating, and its Executive Management possesses the aptitude and ability to operate the Mr Brews Restaurants in the Territory in an economic and businesslike manner (as may be evidenced by prior related business experience or otherwise); (f) the assignee Area Developer and the assignee Area Developer's Owners execute the legal agreements required by Mr Brews or its legal counsel to document the Assignment of this Agreement to the assignee Area Developer; (g) the assignee Area Developer and its Management Staff, as defined in the Franchise Agreement, have successfully completed the initial training program then prescribed by Mr Brews; and (h) any purchase and sale agreement between Area Developer and the assignee Area Developer (or other transferor and transferee) shall provide for and require that the Mr Brews Restaurants in the Territory shall continue to operate without interruption during the transfer. If a proposed assignment would result in a change in control of Area Developer, the Franchise, or any of Area Developer's assets, including any Restaurants owned, operated, or controlled by the Area Developer, and such change in control would result in the transferee-area developer and its affiliates collectively, either directly or indirectly, owning more than seven (7) Restaurants, including the Restaurant being transferred, then Mr Brews may, at its sole discretion, withhold its written consent to the transfer and such withholding will not be considered unreasonable. Mr Brews may expand upon, and provide more details related to, the conditions for transfer and Mr Brews' consent as described in this Article 7.3, and may do so in the Operations Manual or otherwise in writing

7.4 Assignment of Ownership Interest.

No Owner will have the right to Assign an Ownership Interest in Area Developer without the prior written approval of Mr Brews. Mr Brews will not withhold its written consent if the Assignment of the Ownership Interest by the Owner complies in all respects with the terms of this Agreement, and if Mr Brews does not exercise its right of first refusal to acquire the Ownership Interest in Area Developer pursuant to Article 10.7.

7.5 Acknowledgment of Restrictions.

Area Developer and Owners acknowledge and agree that the restrictions on Assignment imposed herein are reasonable and necessary to protect the Mr Brews System and the Marks, as well as the reputation and image of Mr Brews, and are for the protection of Mr Brews, Area Developer and all other area developers and franchisees that own and operate Mr Brews Restaurants. Any Assignment permitted by this Article will not be effective until Mr Brews receives a completely executed copy of all Assignment documents and Mr Brews consents to the Assignment in writing. Any attempted Assignment made without complying with the requirements of this Article will be void.

7.6 Assignment Fee.

If this Agreement is Assigned to another person or Entity, or if any of the Owners transfer any Ownership Interest in Area Developer to a third party, then Area Developer will pay Mr Brews,

on or before the date of the Assignment, an Assignment Fee of $5,000. The Assignment Fee is to cover the costs incurred by Mr Brews in connection with the Assignment. Mr Brews also reserves the right to charge the assignee Area Developer its Per-Diem Training Fee to cover the costs to provide the initial training program to the assignee Area Developer and its Management Staff. The assignee Area Developer will also be responsible for the Salaries and Benefits, Travel Expenses and other expenses incurred by all personnel attending the initial training program on behalf of the assignee Area Developer.

7.7 Assignment to Competitor Prohibited.

Area Developer and the Owners will not Assign this Agreement or their Ownership Interests in Area Developer to any person or Entity that owns, operates, franchises, develops, consults with, manages, is involved in, or controls any Competitive Restaurant. If Mr Brews refuses to permit an Assignment of this Agreement under this provision, then Area Developer's and the Owners' only remedy will be to have a mediator or arbitrator determine whether the proposed assignee owns or operates a Competitive Restaurant.

ARTICLE 8
TERMINATION RIGHTS OF MR BREWS

8.1 Conditions of Breach.

In addition to its other rights of termination contained in this Agreement, Mr Brews will have the right to terminate this Agreement if: (a) Area Developer fails to comply with the Development Schedule set forth in Article 5.1; (b) Area Developer voluntarily or otherwise Abandons any of Area Developer's Restaurants; (c) Area Developer materially violates any federal, state or municipal law, rule, code or regulation applicable to the operations of Area Developer's Restaurants, including a violation of any health department rules or regulations relating to any food safety standards that would in any way endanger the health or well-being of any of the customers or guests of Area Developer's Restaurants; (d) Area Developer breaches any material provision, term or condition of this Agreement; (e) Area Developer or any of its Executive Management or Owners are convicted of, or pleads guilty to a violation of any law that has a material adverse effect on the operations of Area Developer's Restaurants or a crime involving moral turpitude, dishonesty or fraud; (f) Area Developer fails to timely pay any of its uncontested obligations or liabilities (where there is no reasonable commercial dispute) due and owing to Mr Brews, suppliers, banks, purveyors, other creditors or to any federal, state or municipal government; (g) Area Developer is determined to be insolvent within the meaning of applicable state or federal law, any involuntary petition for bankruptcy is filed against Area Developer, or Area Developer files for bankruptcy or is adjudicated a bankrupt under applicable state or federal law; (h) Area Developer makes an assignment for the benefit of creditors or enters into any similar arrangement for the disposition of its assets for the benefit of creditors; (i) any check issued by Area Developer is dishonored because of insufficient funds (except where the check is dishonored because of bank error or an error in bookkeeping or accounting) or closed accounts; (j) Area Developer is involved in any act or conduct which materially impairs the goodwill associated with "Mr Brews Taphouse®," any other of the Marks or the Mr Brews System; (k) Area Developer, an affiliated Entity or an Owner breaches any Franchise Agreement or any other agreement between such person or Entity and Mr Brews or an Affiliate; or (l) any Franchise Agreement between Area Developer (or a Controlled Entity) and Mr Brews is terminated by either party for any reason.

8.2 Notice of Breach.

Except as provided in Articles 8.4 and 8.5 of this Agreement, Mr Brews will not have the right to terminate this Agreement until: (a) written notice setting forth the alleged breach in detail has

been delivered to Area Developer by Mr Brews; and (b) after receiving the written notice, Area Developer fails to correct the alleged breach within the period of time specified by applicable law. If applicable law does not specify a time period to correct an alleged breach, then Area Developer will have 30 days after receipt of the written notice to correct the alleged breach, except where the written notice states that Area Developer is delinquent in the payment of any Fees, rents or other monetary obligations payable to Mr Brews or an Affiliate pursuant to this Agreement or any other agreement, in which case Area Developer will have 15 days after receipt of written notice to correct the breach by making full payment to Mr Brews, together with interest on the past-due obligations at the rate of 18% per annum and the applicable Administrative Fees. If Area Developer fails to correct the alleged breach set forth in the written notice within the applicable period of time, then this Agreement may be terminated by Mr Brews as provided for herein. For the purposes of this Agreement, an alleged breach of this Agreement by Area Developer will be deemed to be "corrected" if both Mr Brews and Area Developer agree in writing that the alleged breach has been corrected.

8.3 Notice of Termination.

Except as provided in Articles 8.4 and 8.5 of this Agreement, if Mr Brews has complied with the provisions of Article 8.2 and Area Developer has not corrected the alleged breach set forth in the written notice of breach within the applicable time period specified in this Agreement, then Mr Brews will have the absolute right to terminate this Agreement by giving Area Developer written notice of termination and, in that event, the effective date of termination of this Agreement will be the day the written notice of termination is received by Area Developer.

8.4 Immediate Termination Rights of Mr Brews.

Notwithstanding Article 8.2, Mr Brews will have the absolute right, unless precluded by applicable law, to immediately terminate this Agreement if: (a) Area Developer fails to comply with the Development Schedule set forth in Article 5.1; (b) Area Developer voluntarily or otherwise Abandons any of Area Developer's Restaurants; (c) Area Developer or any of its Executive Management or Owners are convicted of, or plead guilty to or no contest to a charge of violating any law, and such conviction or plea could have a material adverse effect on Area Developer's right or ability to operate the Restaurants or could have a material adverse effect on the Marks; (d) Area Developer is deemed insolvent within the meaning of applicable state or federal law, any involuntary petition for bankruptcy is filed against Area Developer and Area Developer is unable, within a period of 60 days from such filing, to obtain the dismissal of the involuntary petition, or Area Developer files for bankruptcy or is adjudicated a bankrupt under applicable state or federal law; (e) Area Developer makes an assignment for the benefit of creditors or enters into any similar arrangement for the disposition of its assets for the benefit of creditors; (f) Area Developer is involved in any act or conduct which materially impairs the goodwill associated with "Mr Brews Taphouse®," any other of the Marks or with the Mr Brews System and Area Developer fails to correct the breach within 24 hours after receipt of written notice of the breach from Mr Brews; or (g) any Franchise Agreement between Area Developer (or a Controlled Entity) and Mr Brews is terminated by either party for any reason.

8.5 Notice of Immediate Termination.

Except as provided below, if this Agreement is terminated by Mr Brews pursuant to Article 8.4 above, then Mr Brews will give Area Developer written notice by personal service or prepaid registered or certified mail that this Agreement is terminated and in that event, the effective date of termination of this Agreement will be the day the written notice of termination is received by Area Developer. If notice of termination is given to Area Developer by Mr Brews pursuant to Article 8.4(f), then this Agreement will terminate on the first minute of the 25th hour after receipt

of the written notice of termination if Area Developer fails to correct the alleged breach within 24 hours after receiving the written notice of termination.

8.6 Other Remedies.
Nothing in this Article will preclude Mr Brews from seeking other remedies or Damages under any state or federal law, common law, or under this Agreement against Area Developer including, but not limited to, attorneys' fees, and injunctive relief. If this Agreement is terminated by Mr Brews pursuant to this Article, or if Area Developer breaches or violates this Agreement by a wrongful termination or a termination that is not in strict compliance with the terms and conditions of this Agreement, then Mr Brews will be entitled to seek recovery of all the Damages that Mr Brews has sustained and will sustain in the future as a result of Area Developer's breach of this Agreement. Notwithstanding anything to the contrary in this Agreement, the only remedy available to Mr Brews if Area Developer fails to meet the Development Schedule will be to terminate this Agreement in accordance with Articles 5.4 and 5.5 of this Agreement. The foregoing will not limit Mr Brews' rights under any Franchise Agreements between Mr Brews and Area Developer.

ARTICLE 9
OBLIGATIONS UPON TERMINATION OR EXPIRATION

9.1 Obligations upon Termination; Reversion of Rights.
Upon termination of this Agreement for any reason, all rights to open and operate additional Mr Brews Restaurants in the Territory and all other rights granted to Area Developer pursuant to this Agreement will automatically revert to Mr Brews, and Mr Brews will have the right to develop the Territory or to contract with another area developer for the future development of the Territory. In addition, Area Developer will comply with all other applicable provisions of this Agreement, including those provisions with obligations that continue beyond the termination of this Agreement.

9.2 Franchise Agreements Not Affected.
Area Developer will continue to operate the Mr Brews Restaurants owned by Area Developer in the Territory pursuant to the terms of the applicable Franchise Agreements signed by Area Developer and Mr Brews prior to the termination of this Agreement, and the rights and obligations of Area Developer and Mr Brews with respect to Area Developer's Restaurants in the Territory will be governed by the terms of the applicable Franchise Agreements.

9.3 Continuation of Obligations.
The indemnities and covenants contained in this Agreement will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

ARTICLE 10
OPTION OF MR BREWS TO PURCHASE

10.1 Terms of Option.
Area Developer will not Assign or otherwise dispose of any interest in or any part of (i) Area Developer's interest in this Agreement, including the right of Area Developer to develop Mr Brews Restaurants in the Territory, or (ii) any Ownership Interest in Area Developer (the "Major Assets") to any purchaser without first offering the Major Assets to Mr Brews in a written offer that contains the purchase price, payment terms, all material terms and conditions of the proposed transaction with the third party, including price and payment terms (the "Area Developer's Offer"). Mr Brews will have 21 days after receipt of Area Developer's Offer to give

Area Developer written notice which will either waive its option to purchase ("Waiver Notice") or will state that it intends to exercise its rights to purchase or acquire the Major Assets according to the terms contained in Area Developer's Offer ("Letter of Intent").

10.2 Due Diligence Review.
If Mr Brews provides Area Developer with a Letter of Intent within 21 days after receipt of Area Developer's Offer, then Mr Brews will have 60 days from the date the Letter of Intent is received by Area Developer (the "Notice Date") to conduct a "due diligence" review. Area Developer will promptly provide Mr Brews with all Financial Information, Financial Records, and other information requested by Mr Brews or its accountants to conduct its "due diligence" review. Mr Brews will have the absolute and unconditional right to terminate the Letter of Intent and any obligation to purchase the Major Assets from Area Developer for any reason and at any time during the 60-day "due diligence" review period by giving Area Developer written notice.

10.3 Good Faith Negotiations.
Unless Mr Brews terminates its Letter of Intent as provided in Article 10.2, then Area Developer and Mr Brews will act in good faith to agree on the terms and conditions of the definitive agreement or agreements for the purchase of the Major Assets (other than those objective terms and conditions contained in Area Developer's Offer) and the closing date for the sale of the Major Assets to Mr Brews will take place at the offices of Mr Brews within 90 days after the Notice Date.

10.4 Sale to Purchaser.
Area Developer will have the right to complete the transaction for the sale of the Major Assets to a purchaser according to the terms and conditions contained in Area Developer's Offer to Mr Brews, if (a) Mr Brews delivers a Waiver Notice to Area Developer, (b) Mr Brews fails to deliver either a Waiver Notice or the Letter of Intent to Area Developer within 21 days after receiving Area Developer's Offer, (c) Mr Brews terminates its Letter of Intent during the due diligence period pursuant to the provisions of Article 10.2, or (d) Area Developer and Mr Brews fail to agree on the terms and conditions for the definitive agreement or agreements for the purchase of the Major Assets by Mr Brews from Area Developer (other than those terms and conditions contained in Area Developer's Offer) on or before the 60th day after the Notice Date.

10.5 Negotiated Changes with Purchaser.
If Mr Brews does not purchase the Major Assets from Area Developer under the terms and conditions contained in Area Developer's Offer, then if during any negotiations with a purchaser Area Developer agrees to negotiate, change, delete, or modify any of the terms and conditions contained in Area Developer's Offer or the terms and conditions contained in the most recent version of the definitive agreement or agreements proposed by Area Developer during negotiations that were not acceptable to Mr Brews, then Area Developer will be required to re-offer to sell the Major Assets to Mr Brews under the new terms and conditions offered to the purchaser in accordance with the provisions of this Article.

10.6 Compliance with Agreement.
Area Developer's obligations under this Agreement will in no way be affected or changed because of non-acceptance by Mr Brews of Area Developer's Offer, and as a consequence, the terms and conditions of this Agreement will remain in full force and effect. The decision by Mr Brews not to exercise the option to purchase granted to it pursuant to this Article will not, in any way, be deemed to grant Area Developer the right to terminate this Agreement and will not affect the term of this Agreement. Moreover, if Mr Brews does not exercise the option to purchase granted to it pursuant to this Article and if Area Developer sells or otherwise disposes

of its Major Assets to a party, then both Area Developer and the purchaser will be required to comply in all respects with the terms and conditions of this Agreement. Any Assignment of Area Developer's Restaurants that does not include an Assignment of this Agreement to the assignee will constitute a wrongful termination of this Agreement by Area Developer.

10.7 Assignment of Ownership Interest.

The Ownership Interests owned by Area Developer or by the Owners of Area Developer may not be Assigned or otherwise disposed of by Area Developer or the Owners until the Ownership Interests have first been offered to Mr Brews in writing. If Area Developer or the Owners desire to Assign their Ownership Interests, then they will first offer the Ownership Interests in Area Developer to Mr Brews in writing under the same terms and conditions as being offered to any party. Mr Brews will have 30 days within which to accept any offer to purchase the Owner's Ownership Interest in Area Developer. The Owner will be required to comply with the provisions of Article 7.4 if Mr Brews does not exercise its right to purchase the Owner's Ownership Interest.

10.8 Acknowledgment of Restrictions.

Area Developer and the Owners acknowledge and agree that the restrictions on Assignment imposed herein are reasonable and are necessary to protect the Mr Brews System and the Marks, as well as the reputation and image of Mr Brews, and are for the protection of Mr Brews, Area Developer and all other area developers and Area Developers who develop, own and operate Mr Brews Restaurants. Any Assignment permitted by this Agreement will not be effective until Mr Brews receives a completely executed copy of all Assignment documents and Mr Brews consents to the Assignment in writing.

10.9 Bankruptcy Issues.

If Area Developer or any person or Entity holding any Ownership Interests (direct or indirect) in Area Developer becomes a debtor in a proceeding under the U.S. Bankruptcy Code or any similar law in the U.S. or elsewhere, it is the parties' understanding and agreement that any Assignment of Area Developer's obligations and/or rights hereunder, any material assets of Area Developer, or any indirect or direct interest in Area Developer will be subject to all of the provisions of this Article.

ARTICLE 11
AREA DEVELOPER'S COVENANTS NOT TO COMPETE

11.1 Consideration.

Area Developer and the Owners acknowledge that Area Developer, its Owners, Executive Management and employees will receive specialized training, marketing and advertising plans, business strategies, confidential recipe, cooking and food preparation information, and trade secrets from Mr Brews pertaining to the Mr Brews System and the operation of the Mr Brews Restaurants. In consideration for this information, Area Developer and the Owners will comply in all respects with the provisions of this Article. Mr Brews has advised Area Developer that this provision is a material provision of this Agreement, and that Mr Brews will not enter into a franchise agreement with any person or Entity that owns or intends to own, operate or be involved in any Competitive Restaurant; however, Mr Brews may, under certain circumstances, exclude from the coverage of Articles 11.2 and 11.3 existing operational restaurant(s) owned and operated by Area Developer on the date of this Agreement, and Area Developer may, with the express written consent of Mr Brews, continue to own and operate such restaurants during the term of this Agreement and thereafter. Area Developer warrants and represents that it does not, except as disclosed to and approved by Mr Brews pursuant to this Article 11.1, own, operate, or have any involvement with or interest in any Competitive Restaurant.

11.2 In-Term Covenant Not to Compete.
Area Developer and the Owners will not, during the term of this Agreement, on their own account or as an employee, principal, agent, Area Developer, independent contractor, consultant, affiliate, licensee, partner, officer, director, shareholder, member, manager, governor or Owner of any other person or Entity, own, operate, lease, franchise, conduct, engage in, be connected with, have any interest in, or assist any person or Entity engaged in any Competitive Restaurant, except with the prior written consent of Mr Brews.

11.3 Post-Term Covenant Not to Compete.
Except as provided to the contrary in Article 11.1, for a period of 24 months after the termination or expiration of this Agreement, Area Developer and its Owners will not: (a) on their own account or as an employee, principal, agent, Area Developer, independent contractor, consultant, affiliate, licensee, partner, officer, director, shareholder, member, manager, governor or Owner of any other person or Entity (directly or indirectly, including through a spouse, parent, or child), own, operate, lease, franchise, conduct, engage in, be connected with, have any interest in or assist any person or Entity engaged in any Competitive Restaurant which is located within the Territory, within 10 miles of the Territory, within 10 miles of any Mr Brews Restaurant, or within any exclusive area or territory granted by Mr Brews pursuant to an Area Development Agreement or other territorial agreement; or (b) convert any Restaurant developed by Area Developer pursuant to this Agreement to a Competitive Restaurant. Area Developer and the Owners expressly agree that the time and geographical limitations set forth in this provision are reasonable and necessary to protect Mr Brews and its other area developers and Area Developers if this Agreement expires or is terminated by either party for any reason, and that this covenant not to compete is necessary to permit Mr Brews the opportunity to resell and/or develop new Mr Brews Restaurants within or near the Territory. Area Developer agrees that the length of time in this Section 11.3 will be tolled for any period during which Area Developer is in breach of the covenants set forth in this Section 11.3 or any other period during which Mr Brews seeks to enforce this Agreement.

11.4 Ownership of Public Companies.
Notwithstanding the provisions of Articles 11.2 and 11.3, Area Developer and the Owners will have the right to own up to 1% of any publicly-held company or mutual fund that owns, operates, has an interest in, or controls any Competitive Restaurant business, provided that such company has a class of securities that is publicly traded on a national exchange or quotation system and is subject to the reporting requirements of the Securities Exchange Act of 1934, as amended.

11.5 Injunctive Relief.
Area Developer and the Owners agree that the provisions of this Article are necessary to protect the legitimate business interest of Mr Brews and its area developers and Area Developers including, without limitation, preventing the unauthorized dissemination of marketing, promotional and other Confidential Information to competitors of Mr Brews and its area developers and Area Developers, protecting recipes, cooking and food preparation techniques and other trade secrets, protecting the integrity of the franchise system, preventing duplication of the Mr Brews System by unauthorized third parties, preventing damage to and/or loss of goodwill associated with the Marks and protecting Mr Brews' intellectual property rights. Area Developer and the Owners also agree that damages alone cannot adequately compensate Mr Brews if there is a breach of this Article by Area Developer or the Owners, and that injunctive relief against Area Developer is essential for the protection of Mr Brews and its area developers and Area Developers. Area Developer and the Owners agree therefore, that if Mr Brews alleges that Area Developer or the Owners have breached this Article, then Mr Brews will have

the right to petition a court of competent jurisdiction for injunctive relief against Area Developer and the Owners, in addition to all other remedies that may be available to Mr Brews. Mr Brews will not be required to post a bond or other security for any injunctive proceeding. If Mr Brews is granted ex parte injunctive relief against Area Developer or the Owners, then Area Developer or the Owners will have the right to petition the court for a hearing on the merits at the earliest time convenient to the court.

11.6 Effect on Other Agreements.
The covenants not to compete set forth in this Article will apply and be enforced independently of any covenant not to compete set forth in any other agreements between Mr Brews and Area Developer (or a Controlled Entity) and/or the Owners.

ARTICLE 12
INDEPENDENT CONTRACTORS

12.1 Independent Contractors.
Mr Brews and Area Developer are each independent contractors and, as a consequence, there is no employer-employee or principal-agent relationship between Mr Brews and Area Developer. Area Developer will not have the right to and will not make any agreements, representations or warranties in the name of or on behalf of Mr Brews or represent that their relationship is other than that of franchisor and Area Developer pursuant to Franchise Agreements. Neither Mr Brews nor Area Developer will be obligated by or have any liability to the other under any agreements or representations made by the other to any third parties.

12.2 Operation of Mr Brews Restaurants.
Area Developer will be totally and solely responsible for the development and daily management and operation of its Mr Brews Restaurants in the Territory, and will control, supervise and manage all the employees, agents and independent contractors who work for or with Area Developer, including the right to hire and fire its employees. Area Developer will be responsible for the acts of its employees, agents and independent contractors, and will take all reasonable business actions necessary to ensure that its employees, agents and independent contractors comply with all federal, state and local laws, rules and regulations including, but not limited to, all discrimination laws, sexual harassment laws and laws relating to the disabled. Mr Brews will not have any right, obligation or responsibility to hire, control, supervise, manage or fire Area Developer's employees, agents or independent contractors, and will no way be involved in the day-to-day operations of Area Developer's Restaurants. Area Developer will be solely responsible for all employment decisions and functions of the Restaurants including, without limitation, those related to hiring, firing, training, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, scheduling, supervision, and discipline of employees, regardless of whether Area Developer receives information from Mr Brews on these subjects. Area Developer acknowledges and agrees that all personnel decisions will be made by Area Developer, without any influence or advice from Mr Brews, and such decisions and actions shall not be, nor be deemed to be, a decision or action of Mr Brews. Neither Area Developer nor any employee of Area Developer will be considered an employee of Mr Brews under any circumstances. To the extent that any legal authority determines that Mr Brews has a duty to act or not act with respect to any of Area Developer's employees, Mr Brews hereby assigns to Area Developer any such duty, and Area Developer hereby accepts such assignment.

ARTICLE 13
INDEMNIFICATION

13.1 Indemnification.
Except as provided for in a Franchise Agreement relating to the timely tender of defense to Mr Brews of an action based solely on the use of the Marks and Mr Brews System, the Area Developer will indemnify and hold harmless Mr Brews and its current and former Affiliates and their past and present employees, shareholders, members, Owners, attorneys, accountants and agents (individually and collectively, the "Indemnified Parties") against, and will reimburse the Indemnified Parties for, all Damages that the Indemnified Parties incur in the defense of or as a result of any Claim brought against the Indemnified Parties arising from, as a result of, in connection with or out of this Agreement, the relationship between Mr Brews and Area Developer, the operation of the Area Developer's Restaurants, and/or the Area Developer's or the Area Developer's employees' actions or inaction. The Area Developer will indemnify the Indemnified Parties, without limitation, for all Damages arising from, out of, in connection with, or as a result of any and all Claims including, but not limited to: (a) any personal injury, property damage, commercial loss or environmental contamination resulting from any act or omission of the Area Developer or its Executive Management, employees, agents or representatives; (b) any failure on the part of the Area Developer to comply with any requirement of any federal or state laws or any rules or regulations of any Governmental Authority; (c) any failure of the Area Developer to pay any of its obligations to any person or Entity; (d) any failure of the Area Developer to comply with any requirement or condition of this Agreement or any other agreement with Mr Brews and/or the Indemnified Parties; (e) any misfeasance or malfeasance by the Area Developer or its Executive Management, employees, agents or representatives; (f) any tort committed by the Area Developer or its Executive Management, employees, agents or representatives; or (g) any other Claims brought against any of the Indemnified Parties, including, but not limited to, claims brought by the Area Developer. The Area Developer will not be obligated to indemnify the Indemnified Parties for any Damages attributable to, arising out of, from, in connection with, or as a result of any negligence or wrongdoing by the Indemnified Parties. Any of the Indemnified Parties will have the right to defend any Claim made against it arising from, as a result of, in connection with or out of the operation of the Area Developer's Restaurants.

13.2 Payment of Costs and Expenses.
Area Developer will pay all attorneys' fees, costs, and expenses incurred by Mr Brews if Mr Brews prevails in any action: (a) it commences or defends to enforce any term, condition, or provision of this Agreement, or (b) to enjoin any violation of this Agreement by either Mr Brews or Area Developer. These indemnification provisions and the other obligations contained in this Agreement will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

ARTICLE 14
MANDATORY NON-BINDING MEDIATION

14.1 Disputes Subject to Mediation.
Except as provided in Article 14.6, all disputes between Mr Brews and Area Developer will be subject to mandatory non-binding mediation. The mediator will be appointed in accordance with the Code of Procedure of the National Arbitration Forum unless the parties agree on a mediator in writing within 10 days after either party gives written notice of mediation.

14.2 Purpose.
Mr Brews and Area Developer acknowledge that resolving disputes prior to commencing court proceedings is in the best interests of both parties, all other developers and Area Developers, and the Mr Brews System. Therefore, the parties agree that they will act in good faith to settle any dispute between them either prior to or during mediation.

14.3 Mediation Protocol.
If either party alleges that a dispute exists between them, then either party will have the right to demand non-binding mediation within 10 days after the complaining party has provided the other party with written notice describing the dispute and the desired action. All mediation sessions will take place at a venue determined by Mr Brews and located within 25 miles of Mr Brews' then-current headquarters location. The sessions will be held within 30 days after the mediator has been appointed. The mediation hearing will be informal and the mediator will have the right to hear and review all testimony and evidence presented by either party. The cost of the mediator will be paid equally by the parties.

14.4 Conditions.
Mr Brews and Area Developer will not have the right to commence any legal proceedings against the other party until the dispute has been mediated as provided for herein. Both parties will have the right to take all actions necessary to commence legal proceedings prior to any mediation proceedings; however, neither party will have the right to prosecute any legal proceedings beyond commencement of an action until the mediation has concluded. If the mediation proceedings have not been concluded within 30 days after the first meeting with the mediator, then either party will have the right to pursue all other remedies available to them under this Agreement.

14.5 Miscellaneous.
The matters set forth in Article 14.6 will not be subject to mediation or the provisions of this Article. All matters, testimony, arguments, evidence, allegations, documents and memorandums, and the decision of the mediator will be confidential in all respects and will not be disclosed to any other person or Entity by either party. Mr Brews and Area Developer will continue to perform their respective obligations pursuant to this Agreement during the mediation process.

14.6 Disputes Not Subject to Mediation.
The following disputes between Mr Brews and Area Developer will not be subject to mediation: (a) use of the Marks by either Mr Brews or Area Developer; (b) the obligations of Area Developer and Mr Brews upon termination or expiration of this Agreement; (c) any alleged breach of the provisions of this Agreement relating to Confidential Information and in-term and post-term covenants not to compete contained in ARTICLE 11; (d) any dispute regarding Area Developer's obligations to indemnify Mr Brews and/or an Affiliate for any Claims or Damages pursuant to ARTICLE 13 of this Agreement; and (e) any injunctive actions commenced by either party pursuant to this Agreement or pursuant to any statutory or common law rights.

ARTICLE 15
ENFORCEMENT

15.1 Injunctive Relief.
Either Area Developer or Mr Brews will have the right to petition a court of competent jurisdiction for the entry of temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement for any action relating to: (a) the use of the Marks

and/or the Mr Brews System by Mr Brews or Area Developer; (b) the obligations of Area Developer or Mr Brews upon termination or expiration of this Agreement; and (c) any breaches by Area Developer or Mr Brews of the provisions of this Agreement relating to Confidential Information and the provisions of ARTICLE 11 relating to the interpretation, construction or enforcement of the covenants not to compete.

15.2 Payments to Mr Brews.

Area Developer will not, on grounds of the alleged nonperformance by Mr Brews of any of its obligations under this Agreement, any other contract between Mr Brews and Area Developer, or for any other reason, withhold payment of any Fees or payments due Mr Brews pursuant to this Agreement, any Franchise Agreement or any other contract with Mr Brews. Area Developer will not have the right to "offset" or withhold any liquidated or unliquidated amounts, damages or other funds allegedly due to Area Developer by Mr Brews against any Fees or payments due to Mr Brews by Area Developer. Mr Brews will have the right to deduct from amounts payable to Area Developer by Mr Brews or an Affiliate any Fees or other payments owed to Mr Brews, an Affiliate or a third party. Mr Brews will also have the right to apply the Fees and other payments made to Mr Brews by Area Developer in such order as Mr Brews may designate from time to time. As to Area Developer and its Affiliates, Mr Brews will have the right to: (a) apply any payments received to any past due, current, future or other indebtedness of any kind, no matter how payment is designated by Area Developer, except that Marketing Fund Fees may only be credited to the Marketing Fund; (b) set off, from any amounts that may be owed by Mr Brews, any amount owed to Mr Brews, the Marketing Fund or any other fund or account; and (c) retain any amounts received for Area Developer's account (and/or that of any Affiliate of Area Developer), whether rebates from suppliers or otherwise, as a payment against any Fee owed to Mr Brews. Mr Brews will have the right to exercise any of the foregoing rights in connection with amounts owed to or from Mr Brews and/or any Affiliate.

15.3 Effect of Wrongful Termination.

If either Mr Brews or Area Developer takes any action to terminate this Agreement except as provided for under the terms of this Agreement, then: (a) such actions will not relieve either party of, or release either party from, any of its obligations under this Agreement; (b) the terms and conditions of this Agreement will remain in full force and effect; and (c) the parties will be obligated to fully perform all terms and conditions of this Agreement until such time as this Agreement expires or is terminated in accordance with the provisions of this Agreement and applicable law.

15.4 Attorneys' Fees and Costs.

Area Developer will fully reimburse and indemnify Mr Brews for all attorneys' fees and costs incurred by Mr Brews in (a) enforcing any of the terms and conditions of this Agreement, including a breach of this Agreement, against Area Developer not involving any proceeding or court action and (b) any proceeding or court action brought against Area Developer to enforce the terms and conditions of this Agreement, including a breach of this Agreement.

15.5 Venue and Jurisdiction.

All court proceedings, lawsuits and court hearings initiated by Area Developer or Mr Brews must and will be venued exclusively in the municipality in which Mr Brews' headquarters are then located. Area Developer and its Executive Management and Owners do hereby agree and submit to personal jurisdiction in such court for the purposes of any suit, proceeding or hearing brought to enforce or construe the terms of this Agreement or to resolve any dispute or controversy arising under, as a result of, or in connection with this Agreement or Area Developer's Restaurants, and do hereby agree and stipulate that any such suits, proceedings

and hearings will be exclusively venued and held in such court. Area Developer, its Executive Management and Owners waive any rights to contest such venue and jurisdiction and waive any rights to argue or contest before any court or Arbitrator the validity of such venue and jurisdiction are invalid.

15.6 Limitation of Actions.
Except as provided otherwise in this Agreement or by applicable law, and except for any Claims brought under the indemnification provisions of this agreement, any and all Claims arising out of or relating to this Agreement, the relationship of Area Developer and Mr Brews, or Area Developer's operation of the Restaurants brought by either party against the other, whether in mediation or any court proceeding, will be commenced within 12 months after the occurrence of the facts giving rise to such claim or action, or such claim or action will be barred.

15.7 Waiver of Jury Trial.
MR BREWS AND AREA DEVELOPER IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.

15.8 Waiver of Damages.
AREA DEVELOPER HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY LOST FUTURE PROFITS OR PUNITIVE, EXEMPLARY, CONSEQUENTIAL, OR MULTIPLE DAMAGES AGAINST MR BREWS, AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM AREA DEVELOPER SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT.

15.9 Severability.
All 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 valid and enforceable. If any applicable law or rule of any jurisdiction requires a greater prior notice of the termination of this Agreement than is required hereunder or the taking of some other action not required hereunder, or if under any applicable law or rule of any jurisdiction, any provision of this Agreement is invalid or unenforceable under applicable law, then the prior notice or other action required by such law or rule will be substituted for the notice requirements hereof, or such invalid or unenforceable provision will be modified to the extent required to be valid and enforceable. Such modifications to this Agreement will be effective only in such jurisdiction.

15.10 Waiver.
Mr Brews and Area Developer may, by written instrument signed by Mr Brews and Area Developer, waive any obligation of or restriction upon the other under this Agreement. Acceptance by Mr Brews of any payment or partial payment by Area Developer and the failure, refusal or neglect of Mr Brews to exercise any right under this Agreement or to insist upon full compliance by Area Developer of its obligations hereunder will not constitute a waiver by Mr Brews of any provisions, covenants, or conditions of this Agreement, or other amounts due. Mr Brews will have the right to waive obligations or restrictions for other area developers under their development agreements without waiving those obligations or restrictions for Area Developer and, except to the extent provided by law, Mr Brews will have the right to negotiate terms and conditions, grant concessions and waive obligations for other area developers without granting those same rights to Area Developer and without incurring any liability to Area Developer whatsoever.

15.11 No Oral Modification.
No modification, change, addition, rescission, release, amendment or waiver of this Agreement and no approval, consent or authorization required by any provision of this Agreement may be made by any person except by a written agreement signed by a duly authorized officer or partner of Area Developer and the President or a Vice President of Mr Brews.

15.12 Entire Agreement.
This Agreement supersedes and terminates all prior agreements, either oral or in writing, between the parties involving the franchise relationship and therefore, representations, inducements, promises or agreements alleged by either Mr Brews or Area Developer that are not contained in this Agreement will not be enforceable. The Introduction is part of this Agreement, which constitutes the entire agreement of the parties, and there are no other oral or written understandings or agreements between Mr Brews and Area Developer relating to the subject matter of this Agreement. This Agreement will not supersede any written agreements or contracts that are signed concurrently with this Agreement. In addition, any Area Development Agreement between the parties, as well as any other Franchise Agreement(s), will remain in full force and effect in accordance with the terms and conditions thereof, and will not be superseded by this Agreement. The parties hereby acknowledge that this provision will not act as a disclaimer of the representations made by Mr Brews in the Franchise Disclosure Document provided to Area Developer prior to the execution of this Agreement by Area Developer. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

15.13 Headings; Terms.
The headings of the Articles are for convenience only and do not in any way define, limit or construe the contents of such Articles. The term "Area Developer" as used herein is applicable to one or more individuals or an Entity, as the case may be, and the singular usage includes the plural, the masculine usage includes the neuter and the feminine, and the neuter usage includes the masculine and the feminine. References to "Area Developer," "assignee" and "transferee" which are applicable to an individual or individuals will mean the Owner or Owners of the equity or operating control of Area Developer or any such assignee or transferee if Area Developer or such assignee or transferee is an Entity.

15.14 Miscellaneous.
The rights of Mr Brews hereunder are cumulative and no exercise or enforcement by Mr Brews of any right or remedy hereunder will preclude the exercise or enforcement by Mr Brews of any other right or remedy hereunder or which Mr Brews is entitled by law to enforce. This Agreement is binding upon the parties hereto and their executors, administrators, heirs, assigns and successors in interest. If Area Developer consists of more than one person or Entity, their liability under this Agreement will be deemed to be joint and several.

ARTICLE 16
NOTICES

All notices to Mr Brews will be in writing and will be made by personal service upon an officer or director of Mr Brews or sent by prepaid registered or certified mail addressed to the President of Mr Brews Taphouse International, LLC at the address on the cover page of this Agreement, or such other address as Mr Brews may subsequently designate in writing, with a copy to Lathrop GPM LLP, Attention: Ryan R. Palmer, Esq., 3100 IDS Center, 80 South 8th Street, Minneapolis, Minnesota 55402. All notices to Area Developer will be made by personal service (or, if applicable, upon an officer of Area Developer) or sent by prepaid registered or certified

mail addressed to Area Developer at the address set forth on the cover of this Agreement, or such other address as Area Developer may subsequently designate in writing. For the purposes of this Agreement, personal service will include service by a recognized overnight delivery service (such as Federal Express, Airborne Express or UPS) which requires a written confirmation of delivery to the addressee. Any notice delivered in the manner specified herein will be deemed delivered and received, regardless of whether the recipient refuses or fails to sign for the notice, if addressed to the recipient at the address set forth above or the last designated or last known address of the recipient, and will be deemed effective upon written confirmation of delivery to the recipient or 3 business days after being mailed, whichever is applicable.

ARTICLE 17
ACKNOWLEDGMENTS; DISCLAIMER

17.1 Disclaimer.

MR BREWS DOES NOT WARRANT OR GUARANTEE THAT AREA DEVELOPER WILL DERIVE INCOME OR PROFIT FROM ITS RESTAURANTS, OR THAT MR BREWS WILL REFUND ALL OR PART OF THE DEVELOPMENT FEE OR INITIAL FEES PAID BY AREA DEVELOPER OR REPURCHASE ANY OF THE FOODS, BEVERAGES AND PRODUCTS, TECHNOLOGY, OR FF&E SUPPLIED OR SOLD BY MR BREWS OR BY AN APPROVED OR DESIGNATED SUPPLIER IF AREA DEVELOPER IS IN ANY WAY UNSATISFIED WITH ITS RESTAURANTS. MR BREWS EXPRESSLY DISCLAIMS THE MAKING OF ANY EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES REGARDING THE SALES, EARNINGS, INCOME, PROFITS, REVENUES, ECONOMICS, BUSINESS OR FINANCIAL SUCCESS, OR VALUE OF AREA DEVELOPER'S RESTAURANTS EXCEPT AS SPECIFICALLY CONTAINED IN THE FRANCHISE DISCLOSURE DOCUMENT RECEIVED BY AREA DEVELOPER.

17.2 Acknowledgments by Area Developer.

Area Developer acknowledges that it has conducted an independent investigation of the Mr Brews System and the Restaurants and recognizes that the business venture contemplated by this Agreement and the operation of the Restaurants involve business and economic risks. Area Developer acknowledges that the financial, business and economic success of Area Developer's Restaurants will be primarily dependent upon the personal efforts of Area Developer, its management and employees, and on economic conditions in the area where Area Developer's Restaurants are located and economic conditions in general. Area Developer acknowledges and agrees that the officers, directors, employees, and agents of Mr Brews act only in a representative capacity and not in an individual capacity, and that no other persons and/or Entities other than Mr Brews has or will have any duties or obligations to Area Developer under this Agreement. Area Developer acknowledges that it has not received any estimates, projections, representations, warranties or guaranties, expressed or implied, regarding potential sales, Revenues, income, profits, earnings, expenses, financial or business success, value of the Restaurants, or other economic matters pertaining to Area Developer's Restaurants from Mr Brews or any of its agents that were not expressly set forth in the Franchise Disclosure Document received by Area Developer from Mr Brews ("Representations"). Area Developer further acknowledges that if it had received any such Representations, it would not have executed this Agreement, promptly notified the President of Mr Brews in writing of the person or persons making such Representations, and provided to Mr Brews a specific written statement detailing the Representations made.

Area Developer recognizes and acknowledges that this Agreement requires Area Developer to open a certain number of Restaurants in the future pursuant to the Development Schedule. Area Developer further acknowledges that the estimated expenses and investment requirements set forth in Items 6 and 7 of Mr Brew's Franchise Disclosure Document are subject to increase over time, and that future Restaurants likely will involve greater initial investment and operating capital requirements than those stated in the Franchise Disclosure Document provided to Area Developer prior to the execution of this Agreement. Area Developer must execute all the Franchise Agreements and open all of the Restaurants in accordance with the dates set forth on the Development Schedule, regardless of (i) the requirement of a greater investment, (ii) the financial condition or performance of Area Developer's prior Restaurants, or (iii) any other circumstances, financial or otherwise. The foregoing will not be interpreted as imposing any obligation upon Mr Brews to execute the Franchise Agreements under this Agreement if Area Developer has not complied with each and every required condition to obtain such Franchise Agreements including, but not limited to, Area Developer's satisfaction of Mr Brew's then-current requirements for franchisees.

Mr Brews has entered into this Agreement based, in part, on Area Developer's current financial condition and Mr Brews assessment of Area Developer's ability to meet Mr Brew's financial requirements. Area Developer further acknowledges that operating Restaurants and meeting Mr Brew's re-equipment, remodeling and other obligations will require significant capital. Area Developer and its affiliates must at all times maintain reasonably adequate financial resources, taking into account current resources, reasonably projected future cash flows, and reasonable assumptions related to financing, to meet Area Developer's required capital and operational expenses under this Agreement and the Franchise Agreements. Area Developer must promptly provide such financial information related to Area Developer and its affiliates as required by the Franchise Agreements and as we may reasonably request, including, but not limited to, financial statements, debt agreements (and an accounting of Area Developer's compliance with such agreements), and historical and projected cash flows and expenses.

17.3 Business Judgment.

Area Developer understands and agrees that whenever Mr Brews reserves or is deemed to have reserved rights in a particular area, or where Mr Brews agrees or is deemed to be required to exercise its rights reasonably or in good faith, Mr Brews will satisfy its obligations whenever it exercises reasonable business judgment in making Mr Brews' decision or exercising a right (regardless of whether such term is expressly stated). A decision or action by Mr Brews will be deemed to be the result of reasonable business judgment, even if other reasonable or even arguably preferable alternatives are available, if Mr Brews' decision or action is intended, in whole or significant part, to promote or benefit the System generally even if the decision or action also promotes a financial or other individual interest of Mr Brews. Neither Area Developer nor any third party (including, without limitation, a trier of fact) may substitute its judgment for Mr Brews' reasonable business judgment.

17.4 Other Area Developers.

Area Developer acknowledges that other area developers have or will be granted development agreements at different times, for different areas, under different economic conditions and in different situations, and further acknowledges that the economics, terms and conditions of such other development agreements may vary substantially in form and in substance from those contained in this Agreement.

17.5 Receipt of Agreement and Franchise Disclosure Document.

Area Developer acknowledges that it received a copy of this Agreement with all material blanks fully completed at least 7 calendar days prior to the date that this Agreement was executed by Area Developer. Area Developer further acknowledges that it received a copy of Mr Brews' Franchise Disclosure Document at least 14 calendar days prior to the date on which this Agreement was executed. Area Developer confirms receiving the Franchise Disclosure Document on the date Area Developer signed the acknowledgment of receipt page (the "Receipt Page") attached to the Franchise Disclosure Document. Area Developer and Mr Brews each acknowledge receiving a signed and dated copy of the Receipt Page.

ARTICLE 18
AREA DEVELOPER'S LEGAL COUNSEL

Area Developer acknowledges that this Agreement constitutes a legal document which grants certain rights to and imposes certain obligations upon Area Developer. Area Developer has been advised by Mr Brews to retain an attorney or advisor prior to the execution of this Agreement to review the Franchise Disclosure Document, to review this Agreement in detail, to review all legal documents, to review the economics, operations and other business aspects of the Mr Brews Restaurants, to determine compliance with franchising and other applicable laws, to advise Area Developer on economic risks, liabilities, obligations and rights under this Agreement and to advise Area Developer on tax issues, financing matters, applicable state and federal laws, liquor laws, health and safety laws, environmental laws, employee issues, insurance, structure of the restaurant business, and other legal and business matters. The name and telephone number of Area Developer's attorney or other advisor is: _____ _____,
Telephone Number: (___) _____; Email Address: _____.

ARTICLE 19
GOVERNING LAW; STATE MODIFICATIONS

19.1 Governing Law; Severability.
Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §1051, et seq.), all claims arising out of or relating to this Agreement and/or the relationship between Mr Brews and Area Developer will be governed by the procedural and substantive laws of the state where Area Developer's Territory is located, unless applicable state law specifically provides otherwise. If Area Developer's Territory includes more than one state, then this Agreement will be governed by the state in which Area Developer's principal place of business is located. The provisions of this Agreement which conflict with or are inconsistent with applicable governing law will be superseded and/or modified by such applicable law only to the extent such provisions are inconsistent. All other provisions of this Agreement will be enforceable as originally made and entered into upon the execution of this Agreement by Area Developer and Mr Brews. The parties agree that any state law or regulation applicable to the offer or sale of franchises or the franchise relationship will not apply unless the jurisdictional provisions are independently met. Area Developer waives, to the fullest extent permitted by law, the rights and protections provided by any such franchise law or regulation.

19.2 Applicable State Laws.
If applicable, the following states have statutes which may supersede the provisions of this Agreement in Area Developer's relationship with Mr Brews in the areas of termination and renewal of the Franchise: Arkansas [Stat. Section 70-807], California [Bus. & Prof. Code Sections 20000-20043], Connecticut [Gen. Stat. Section 42-133e, et seq.], Delaware [Code Section 2552], Hawaii [Rev. Stat. Section 482E-1], Illinois [815 ILCS 705/19-20], Indiana [Stat.

Section 23-2-2.7], Michigan [Stat. Section 19.854(27)], Minnesota [Stat. Section 80C.14], Mississippi [Code Section 75-24-51], Missouri [Stat. Section 407.400], Nebraska [Rev. Stat. Section 87-401], New Jersey [Stat. Section 56:10-1], Virginia [Code 13.1-557-574-13.1-564], Washington [Code Section 19.100.180], and Wisconsin [Stat. Section 135.03]. These and other states may have court decisions that may supersede the provisions of this Agreement in Area Developer's relationship with Mr Brews in the areas of termination and renewal of the Franchise.

19.3 State Law Modifications.

If the Territory is located in any one of the states indicated below in this Article, or if the laws of any such state are otherwise applicable, then the designated provisions of this Agreement will be amended and revised as follows:

(a) California. If this Agreement is governed by the laws of the State of California, then: (1) the covenant not to compete upon termination or expiration of this Agreement contained in this Agreement may be unenforceable, except in certain circumstances provided by law; (2) provisions of this Agreement giving Mr Brews the right to terminate in the event of Area Developer's bankruptcy may not be enforceable under federal bankruptcy laws (11 U.S.C. Sec. 101, et seq.); and (3) the following statement should be deemed to amend this Agreement:

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

(b) Illinois. If as provided for in Article 19.1, this Agreement is governed by the laws of the State of Illinois, then: (1) the Illinois Franchise Disclosure Act of 1987 [815 ILCS 705/1-44] (the "Illinois Act") and Illinois law will be applicable to this Agreement; (2) Section 19 of the Illinois Act will be applicable to the termination of this Agreement by Mr Brews; (3) any provision of this Agreement that designates jurisdiction or venue in a forum outside of Illinois is void, provided that this Agreement may provide for mediation and arbitration in a forum outside of Illinois; (4) Section 27 of the Illinois Act will be applicable to any action maintained by Area Developer to enforce any liability created by the Illinois Act; (5) any representations made by Mr Brews in the Franchise Disclosure Document provided to Area Developer will remain valid and enforceable by Area Developer after the execution of this Agreement; (6) any condition, stipulation or provision of this Agreement requiring Area Developer to waive compliance with any provision of the Illinois Act or any other law of Illinois is void; (7) the acknowledgments made by Area Developer in this Agreement will not be construed to act as a release, estoppel or waiver of Area Developer's rights under the Illinois Act; and (8) the following statement should be deemed to amend this Agreement:

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

(c) Maryland. If this Agreement is governed by the laws of the State of Maryland, then: (1) the provisions of this Agreement requiring jurisdiction and venue of lawsuits in the State of

Wisconsin will be deleted from this Agreement, and Area Developer will have the right to commence litigation, lawsuits and other court proceedings alleging claims arising under the Maryland Franchise Registration and Disclosure Law (the "Maryland Law") in the State of Maryland; (2) the acknowledgments made by Area Developer in this Agreement will not be construed to act as a release, estoppel or waiver of Area Developer's rights under the Maryland Law and the release agreement required to be signed upon renewal, sale, or assignment/transfer shall not apply to any liability under the Maryland Law; (3) any limitation on the period of time during which claims must be brought will not act to reduce the thee-year statute of limitations afforded to a Area Developer for bringing a claim arising under the Maryland Law and any claims arising under the Maryland Law must be brought within 3 years after the grant of the Franchise; (4) notwithstanding any provision of this Agreement to the contrary, nothing in this Agreement will be construed to disclaim any representations made by Mr Brews in the Franchise Disclosure Document; and (5) the following statement should be deemed to amend this Agreement:

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

(d) Minnesota. If this Agreement is governed by the laws of the State of Minnesota, then: (1) except in certain circumstances specified by Minnesota law, Mr Brews must give Area Developer at least 180 days prior written notice of nonrenewal of the Franchise; (2) except in certain circumstances provided by Minnesota law, if Mr Brews gives Area Developer written notice that Area Developer has breached this Agreement, such written notice will be given to Area Developer at least 90 days prior to the date this Agreement is terminated by Mr Brews, and Area Developer will have 60 days after such written notice within which to correct the breach specified in the written notice; (3) notwithstanding any provisions of this Agreement to the contrary, a court of competent jurisdiction will determine whether Mr Brews will be required to post a bond or other security, and the amount of such bond or other security, in any injunctive proceeding commenced by Mr Brews against Area Developer or the Owners; and (4) notwithstanding any provisions of this Agreement to the contrary, Area Developer will have up to 3 years after the cause of action accrues to bring an action against Mr Brews pursuant to Minn. Stat. §80C.17.

(e) New York. If this Agreement is governed by the laws of the State of New York, then: (1) all rights enjoyed by Area Developer and any cause of action arising in its favor from the laws of the State of New York and the regulations issued thereunder will remain in force, it being the intent of this provision that the nonwaiver requirements of General Business Law §687.4 and §687.5 be satisfied; and (2) modifications to the Operations Manual by Mr Brews will not unreasonably increase Area Developer's obligations or place an excessive economic burden on Area Developer's operations.

(f) North Dakota. If this Agreement is governed by the laws of the State of North Dakota, then: (1) the covenant not to compete upon termination or expiration of this Agreement may be unenforceable, except in certain circumstances provided by law; (2) mediation or arbitration hearings will be conducted in Fargo, North Dakota or at a mutually agreed upon location; (3) the consent by Area Developer to jurisdiction and venue in the State of Wisconsin contained in this Agreement will be inapplicable to Area Developer; and (4) any provisions of this Agreement

which limit the statute of limitations for claims under the North Dakota Franchise Investment Law (the "North Dakota Law") or the parties' rights or remedies under the North Dakota Law, such as the right to recover punitive damages or to a jury trial, will not be enforceable.

(g) Rhode Island. If this Agreement is governed by the laws of the State of Rhode Island, then any provision of this Agreement restricting jurisdiction or venue to a forum outside the State of Rhode Island is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

(h) South Dakota. If this Agreement is governed by the laws of the State of South Dakota, then: (1) the covenant not to compete upon termination or expiration of this Agreement may be unenforceable, except in certain circumstances provided by law; (2) any provision of this Agreement which designates jurisdiction or venue outside of the State of South Dakota or requires Area Developer to agree to jurisdiction or venue in a forum outside of the State of South Dakota is void with respect to any cause of action which is otherwise enforceable in the State of South Dakota; (3) any acknowledgment provision, disclaimer, integration clause or provision having a similar effect in this Agreement will not negate or act to remove from judicial review any statement, misrepresentation or action that violates Chapter 37-5B or a rule or order under Chapter 37-5B; (4) mediation or arbitration hearings will be conducted in Sioux Falls, South Dakota, or at a mutually agreed upon location; and (5) provisions of this Agreement which require that actions be commenced within one year and that limit the parties' rights to recover punitive, exemplary, incidental, indirect, special or consequential damages may not be enforceable under South Dakota law.

(i) Wisconsin. If this Agreement is governed by the laws of the State of Wisconsin, then the provisions of the Wisconsin Fair Dealership Law, Wis. Stat. Chapter 135, will supersede any conflicting terms of this Agreement.

ARTICLE 20
DEFINITIONS

For purposes of this Agreement, the following words will have the following definitions:

20.1 Franchise Agreement.
"Franchise Agreement" will mean Mr Brews' then-current standard Franchise Agreement.

20.2 Terms Defined in Franchise Agreement.
Capitalized terms used but not defined in this Agreement will, if defined in the Franchise Agreement, have the meanings ascribed to such terms in the Franchise Agreement as applicable to Area Developer.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, Mr Brews, Area Developer and Area Developer's Owners have respectively signed this Agreement effective as of the date set forth above.

In the Presence of:

Mr Brews Taphouse International, LLC

_____
Signature

By _____
Signature

_____
Print Name

_____
Print Name

Its _____
Title

In the Presence of:

"Area Developer"

_____
Signature

_____
Legal Name

_____
Print Name

By _____
Signature

_____
Print Name

Its _____
Title

In the Presence of:

And

_____
Signature

By _____
Signature

_____
Print Name

_____
Print Name

Its _____
Title

The undersigned Owners of Area Developer hereby agree to be bound by the terms and conditions of this Agreement applicable to each one of the Owners, which in no event will limit any of the obligations undertaken by the Owners in any other capacity or under any other agreement.

In the Presence of:	Names of Owners:	Percentage of Ownership:
_____ Signature	_____ Signature	_____%
_____ Print Name	_____ Print Name	
_____ Signature	_____ Signature	_____%
_____ Print Name	_____ Print Name	
_____ Signature	_____ Signature	_____%
_____ Print Name	_____ Print Name	
_____ Signature	_____ Signature	_____%
_____ Print Name	_____ Print Name	
	Total	100%

PERSONAL GUARANTY

THIS PERSONAL GUARANTY (this "Personal Guaranty") is made and entered into this _____ day of _____, 20___ (the "Effective Date"), by and between Mr Brews Taphouse International, LLC, a Wisconsin limited liability company ("Mr Brews") and each one of the undersigned personal guarantors (the "Personal Guarantors").

WHEREAS, Mr Brews and _____, (a/an) _____ ("Area Developer") have entered into an Area Development Agreement, dated the same date as set forth above, for the development and operation of franchised Mr Brews Restaurants in the Territory (the "Area Development Agreement").

WHEREAS, it is the desire of each one of the undersigned Personal Guarantors to personally guaranty the obligations of Area Developer under the Area Development Agreement and to be individually, jointly and severally bound by the terms and conditions of the Area Development Agreement.

NOW, THEREFORE, in consideration of the execution of the Area Development Agreement by Mr Brews, and for other good and valuable consideration, each one of the undersigned, for themselves, their heirs, successors, and assigns, do individually, jointly and severally hereby become surety and guaranty for the payment of all amounts and the performance of the covenants, terms and conditions of the Area Development Agreement, including the covenants not to compete, to be paid, kept and performed by Area Developer.

Obligations under Agreement. Each one of the undersigned, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in the Area Development Agreement, and agree that this Personal Guaranty should be construed as though the undersigned and each of them executed an agreement containing the identical terms and conditions of the Area Development Agreement. Each one of the Personal Guarantors acknowledges having received a copy of the Area Development Agreement which is incorporated herein by reference.

Default of Area Developer. If Area Developer defaults on any monetary obligation of the Area Development Agreement, then each one of the undersigned, their heirs, successors and assigns, do hereby, individually, jointly and severally, promise and agree to pay to Mr Brews the Fees due and payable to Mr Brews under the terms and conditions of the Area Development Agreement or for any purchases of goods or services made by Area Developer from Mr Brews or any Affiliate of Mr Brews.

Noncompliance by Area Developer. If Area Developer fails to comply with any other terms and conditions of the Area Development Agreement, then each one of the undersigned, their heirs, successors and assigns, do hereby, individually, jointly and severally, promise and agree to comply with the terms and conditions of the Area Development Agreement for and on behalf of Area Developer.

Obligations to Mr Brews. If Area Developer is at any time in default on any obligation to pay monies to Mr Brews or any affiliate of Mr Brews, whether for the Initial Fee, Royalty Fees, Marketing Fund Fees, goods or services purchased by Area Developer from Mr Brews or any Affiliate of Mr Brews, or for any other indebtedness of Area Developer to Mr Brews or any Affiliate of Mr Brews, then each of the undersigned, their heirs, successors and assigns, do

hereby, individually, jointly and severally, promise and agree to pay all such monies due and payable by Area Developer to Mr Brews or any Affiliate of Mr Brews upon default by Area Developer.

Binding Agreement. Each one of the Personal Guarantors warrant and represent that they have the capacity to execute this Personal Guaranty and that they will each be bound by all of the terms and conditions of this Personal Guaranty. The provisions, covenants and conditions of this Personal Guaranty will inure to the benefit of the successors and assigns of Mr Brews.

Jurisdiction and Venue. Except as precluded by applicable law, all mediation, arbitration, litigation, actions or proceedings pertaining to this Personal Guaranty will be brought and venued in accordance with the terms of the Area Development Agreement, and each one of the Personal Guarantors agrees to the dispute resolution provisions, including jurisdiction and venue, contained in the Area Development Agreement.

Personal Guarantors

Signature	Signature
Print Name	Print Name
Address	Address
City, State and Zip Code	City, State and Zip Code
Telephone	Telephone
Signature	Signature
Print Name	Print Name
Address	Address
City, State and Zip Code	City, State and Zip Code
Telephone	Telephone

ADDENDUM TO
MR BREWS TAPHOUSE INTERNATIONAL, LLC
AREA DEVELOPMENT AGREEMENT
FOR THE STATE OF ILLINOIS

THIS ADDENDUM TO THE AREA DEVELOPMENT AGREEMENT (this "Addendum") is made, entered into and effective this _____ day of _____, 20____ by and between Mr Brews Taphouse International, LLC ("Mr Brews") and _____ ("Area Developer") to amend and revise certain provisions of the Area Development Agreement between Mr Brews and Area Developer, dated the same date as this Addendum, as follows:

Illinois law governs the Area Development Agreement(s).

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a development agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a development agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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.

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

[Signatures to follow.]

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it will be effective as of the date first above written.

MR BREWS TAPHOUSE INTERNATIONAL, LLC	_____ Name of Area Developer
By_____	By_____
Its_____	Its_____

Mr Brews Taphouse International, LLC

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT F

SAMPLE RELEASE

Mr Brews Taphouse International, LLC

SAMPLE RELEASE

Unless precluded by applicable state law, if you sell, assign or transfer your Franchise Agreement or Area Development Agreement to a third party, you will sign a joint and mutual release containing language substantially similar to the following:

This Joint and Mutual Release is made, entered into and effective this ____ day of _____, 20__, by and between Mr Brews Taphouse International, LLC (the "Franchisor") and _____ (the "Franchisee").

The Franchisee entered into a Franchise/Area Development Agreement, dated _____, 20__ with the Franchisor (the "Agreement") authorizing the Franchisee to open and operate a franchised Mr Brews Restaurant(s) at/in _____.

The Franchisee desires to reacquire the Franchise for the Restaurant/transfer, sell and assign the Agreement to a third party (the "Assignee").

The Franchisor has agreed to consent to the reacquisition of the Franchise for the Restaurant/transfer, sale and assignment of the Agreement by the Franchisee to the Assignee, a condition of which is the execution of the following joint and mutual release by the Franchisor and the Franchisee:

1. Release of Franchisor by Franchisee. For and in consideration of the execution of this Joint and Mutual Release and the consent by the Franchisor to the assignment of the Agreement to the Assignee, the Franchisee and its affiliates hereby release and forever discharge the Franchisor and its current and former affiliates from any and all claims which the Franchisee and its affiliates have had or now have or may in the future have against the Franchisor and its current and former affiliates or any of them, for, upon or by reason of any matter, fact or thing whatsoever from the beginning of time through and including the date of this Joint and Mutual Release including, but not limited to, any alleged violations of the Federal Trade Commission's Trade Regulation Rule relating to Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures, "mini" FTC laws, deceptive or unfair trade practices laws, franchise laws or securities laws, and all other local, municipal, state, federal or other laws, statutes, rules or regulations, and any alleged breaches or violations of the Agreement and/or any other agreements between the Franchisee and its affiliates and any of them, and the Franchisor and its affiliates and any of them; provided, however, that this provision will not apply to any claims specifically excluded by terms of this Joint and Mutual Release.

2. Release of Franchisee by Franchisor. For and in consideration of the execution of this Joint and Mutual Release and the consent by the Franchisor to the assignment of the Agreement to the Assignee, the Franchisor and its affiliates hereby release and forever discharge the Franchisee and its affiliates from any and all claims which the Franchisor and its affiliates have had or now have against the Franchisee and its affiliates for, upon or by reason of any matter, fact or thing whatsoever from the beginning of time through, up to and including the date of this Joint and Mutual Release including, but not limited to, any local, municipal, state, federal or other laws, statutes, rules or regulations, and any alleged violations of the Agreement, and/or any other agreements between the Franchisee and its affiliates and any of them, and the

Franchisor and its affiliates and any of them; provided, however, that this provision will not apply to any claims specifically excluded by terms of this Joint and Mutual Release.

"Franchisee"	"Franchisor"
_____	Mr Brews Taphouse International, LLC
By_____	By_____
Its_____	Its_____

The above language may be modified or supplemented to address issues specific to the transfer of your Franchise Agreement or Area Development Agreement to a third party, or to comply with applicable law (see the Addendum to the Franchise Disclosure Document).

Mr Brews Taphouse International, LLC

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT G

STATE AGENCY EXHIBIT

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR/AGENT	ADDRESS
California	Commissioner of Financial Protection and Innovation California Department of Financial Protection and Innovation	320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 1-866-275-2677
Hawaii (State Administrator)	Commissioner of Securities Dept. of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch	335 Merchant Street Room 203 Honolulu, HI 96813
Illinois	Illinois Attorney General	500 South Second Street Springfield, IL 62706
Indiana (State Administrator)	Indiana Securities Commissioner Securities Division	302 West Washington Street, Room E111 Indianapolis, IN 46204
Indiana (Agent)	Indiana Secretary of State	302 West Washington Street, Room E018 Indianapolis, IN 46204
Maryland (State Administrator)	Office of the Attorney General Division of Securities	200 St. Paul Place Baltimore, MD 21202-2020
Maryland (Agent)	Maryland Securities Commissioner	200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Department of Attorney General Corporate Oversight Division Franchise Section	G. Mennen Williams Building, 5th Floor 525 West Ottawa Street Lansing, MI 48933
Minnesota	Commissioner of Commerce Minnesota Department of Commerce	85 7th Place East, Suite 280 St. Paul, MN 55101-2198
New York (State Administrator)	NYS Department of Law Investor Protection Bureau	28 Liberty Street, 21st Floor New York, NY 10005 212-416-8236
New York (Agent)	New York Department of State	One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 518-473-2492
North Dakota	Insurance Commissioner (Agent) North Dakota Insurance & Securities Department	600 East Boulevard Avenue, Dept. 401 Bismarck, ND 58505 701-328-2910
Rhode Island	Director, Department of Business Regulation, Securities Division	1511 Pontiac Avenue John O. Pastore Complex – Building 68-2 Cranston, RI 02920
South Dakota	Department of Labor and Regulation Division of Insurance – Securities Regulation	124 S. Euclid, Suite 104 Pierre, SD 57501
Virginia (State Administrator)	State Corporation Commission Division of Securities and Retail Franchising	1300 East Main Street, 9th Floor Richmond, VA 23219 804-371-9051
Virginia (Agent)	Clerk of the State Corporation Commission	1300 East Main Street, 1st Floor Richmond, VA 23219-3630
Washington	Department of Financial Institutions Securities Division	150 Israel Road SW Tumwater, WA 98501 360-902-8760
Wisconsin	Commissioner of Securities	Department of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705

Mr Brews Taphouse International, LLC

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT H

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Mr Brews Taphouse International, LLC

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT I

FRANCHISEE QUESTIONNAIRE

FRANCHISEE QUESTIONNAIRE

As you know, Mr Brews Taphouse International, LLC (the "Franchisor") and you are preparing to enter into a Franchise Agreement for the operation of a franchised Mr Brews Taphouse® Restaurant (the "Franchise"). The purpose of this Questionnaire is to determine whether any statements or promises were made to you that the Franchisor has not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest responses to each question.

	QUESTION	YES	NO
1.	Have you received and personally reviewed the Franchisor's Franchise Disclosure Document (the "Disclosure Document") provided to you?		
2.	Did you sign a receipt for the Disclosure Document indicating the date you received it?		
3.	Do you understand all of the information contained in the Disclosure Document?		
4.	Have you received and personally reviewed the Franchise Agreement and each exhibit or schedule attached to it?		
5.	Please insert the date on which you received a copy of the Franchise Agreement with all material blanks fully completed: _____		
6.	Do you understand the terms of and your obligations under the Franchise Agreement?		
7.	Have you discussed the benefits and risks of operating the Franchise with an attorney, accountant or other professional advisor?		
8.	Do you understand the risks associated with operating the Franchise?		
9.	Do you understand that the success or failure of the Franchise will depend in large part upon your skills and abilities, competition, interest rates, the economy, inflation, labor and supply costs, lease terms and the marketplace?		
10.	Do you understand that this Franchise may be impacted by other risks, including those outside your or our control such as economic, political or social disruption, including COVID-19? In addition, do you understand that the COVID-19 outbreak and any preventative or protective actions that federal, state, and local governments may take in response to this pandemic may result in a period of business disruption, reduced customer demand, and reduced operations for Mr Brews Taphouse businesses? Do you further understand that the extent to which the coronavirus impacts the Mr Brews Taphouse® system will depend on future developments which are highly uncertain and which we cannot predict?		

	QUESTION	YES	NO
11.	Has any employee or other person speaking on behalf of the Franchisor made any statement or promise regarding the amount of money you may earn in operating the Franchise that is contrary to, or different from, the information contained in the Disclosure Document?		
12.	Has any employee or other person speaking on behalf of the Franchisor made any statement or promise concerning the total amount of revenue the Franchise will generate that is contrary to, or different from, the information contained in the Disclosure Document?		
13.	Has any employee or other person speaking on behalf of the Franchisor made any statement or promise regarding the costs involved in operating the Franchise that is contrary to, or different from, the information contained in the Disclosure Document?		
14.	Has any employee or other person speaking on behalf of the Franchisor made any statement or promise concerning the actual, average or projected profits or earnings or the likelihood of success that you should or might expect to achieve from operating the Franchise that is contrary to, or different from, the information contained in the Disclosure Document?		
15.	Has any employee or other person speaking on behalf of the Franchisor made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement, concerning advertising, marketing, media support, market penetration, training, support service or assistance relating to the Franchise that is contrary to, or different from, the information contained in the Disclosure Document?		

16. We encourage and strongly recommend that all prospective franchisees contact and speak with existing franchisees as part of your review and diligence process, to inquire about their operations and experience. If you have done so, please identify the franchisees with whom you have communicated:

1. _____

2. _____

3. _____

Others: _____

If you did not contact any franchisees, please explain why:

_____

_____

_____.

If you answered "Yes" to any of questions eleven (11) through fifteen (15), please provide a full explanation of your answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered "No" to each of the foregoing questions, please leave the following lines blank.

_____

_____

_____

_____

_____

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 responded truthfully to the above questions.

_____
FRANCHISE APPLICANT

Dated: _____, 20____

_____
FRANCHISE APPLICANT

Dated: _____, 20____

Mr Brews Taphouse International, LLC

FRANCHISE DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES & RECEIPTS

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
Illinois	Pending
Indiana	Pending
Michigan	March 12, 2026
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

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

If Mr Brews Taphouse International, LLC offers you a franchise, it must provide this Disclosure Document to you at least 14 calendar days before you sign a binding agreement with, or make a payment to, Mr Brews Taphouse International, LLC or an affiliate in connection with the proposed franchise sale.

Iowa and New York require that Mr Brews Taphouse International, LLC give you this Disclosure Document at the earlier of the first personal meeting or 10 business days (or 14 calendar days in Iowa) before the execution of the Franchise Agreement or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that Mr Brews Taphouse International, LLC give you this Disclosure Document at least 10 business days before the execution of any binding Franchise Agreement or other agreement or the payment of any consideration, whichever occurs first.

If Mr Brews Taphouse International, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed in the State Agency Exhibit.

Issuance Date: March 12, 2026.

The franchise sellers for this offering are Steven Day, Mark Leach, and Aline Misaiphon, N9059 Riverview Road, Birnamwood, WI 54414, (608) 556.1775, and/or _____ (name), _____ (address), _____ (telephone number).

Mr Brews Taphouse International, LLC authorizes the respective state agencies identified in the State Agency Exhibit to receive service of process for it in the particular state.

I received this Disclosure Document, dated March 12, 2026, that included the following exhibits:

Exhibit A:	List of Mr Brews Restaurants
Exhibit B:	Computers and Software Requirements
Exhibit C:	Financial Statements
Exhibit D:	Franchise Agreement
Exhibit E:	Area Development Agreement
Exhibit F:	Sample Release
Exhibit G:	State Agency Exhibit
Exhibit H:	Table of Contents to Operations Manual
Exhibit I:	Franchisee Questionnaire

Signed:	_____	Signed:	_____
Print Name:	_____	Print Name:	_____
Address:	_____	Address:	_____
City/State/Zip:	_____	City/State/Zip:	_____
Telephone:	_____	Telephone:	_____
Dated:	_____	Dated:	_____

Copy To:
Mr Brews Taphouse International, LLC
N9059 Riverview Road
Birnamwood, WI 54414

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Exhibit I:	Franchisee Questionnaire

Signed:	_____	Signed:	_____
Print Name:	_____	Print Name:	_____
Address:	_____	Address:	_____
City/State/Zip:	_____	City/State/Zip:	_____
Telephone:	_____	Telephone:	_____
Dated:	_____	Dated:	_____

Copy To:
Franchisee

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Signed:	_____	Signed:	_____
Print Name:	_____	Print Name:	_____
Address:	_____	Address:	_____
City/State/Zip:	_____	City/State/Zip:	_____
Telephone:	_____	Telephone:	_____
Dated:	_____	Dated:	_____

Copy To:
Ryan R. Palmer, Esq.
Lathrop GPM LLP
80 South Eighth Street, 3100 IDS Center
Minneapolis, MN 55402