Bahama Buck's® Franchise Disclosure Document

Bahama Buck's Franchise Corporation
an Arizona corporation
5741 50th Street
Lubbock, Texas 79424
Telephone: 806-771-2189
Facsimile: 806-771-2190
E-mail: blake@bahamabucks.com
www.bahamabucks.com

You will operate a business under the name BAHAMA BUCK'S ORIGINAL SHAVED ICE COMPANY for preparing and selling gourmet shaved ice products, island specialties and frozen dessert confections.

The total investment necessary to begin operation of a Bahama Buck's franchised business ranges from $539,550 to $1,190,550. This includes $194,500 to $299,530 that must be paid to us or our affiliate. If you commit to a development schedule to open a second or third location, you will execute a Multi-Store Amendment and your total initial investment will range from $1,617,150 to $3,571,500 for all three locations. This includes $194,500 to $299,530 that must be paid to us or our affiliate.

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 government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the franchise administrator in our home office at the address and telephone number listed above.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "*A Consumer's Guide to Buying a Franchise,"* which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, 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: July 16, 2025

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits F and G.
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 describe the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit H 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 Bahama Bucks 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 has been involved in material litigation or bankruptcy proceedings.
What's it like to be a Bahama Bucks franchisee?	Item 20 or Exhibits F and G list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Texas. 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 Texas than in your own state.

2. **Financial Condition.** The Franchisor's financial condition as reflected in the financial statements calls into question the Franchisor's financial ability to provide services and support to you.

3. **Spousal Liability.** At the Franchisor's request, your spouse must sign a document making your spouse liable for all financial obligations under the Franchise Agreement, even if your spouse has no ownership interest in the franchise. This Guarantee will place both your and your spouse's marital and personal assets (perhaps including your house) at risk if your franchise fails.

4. **Unopened Franchise.** The franchisor has signed a significant number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you also may experience delays in opening your own outlet.

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.

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ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Disclosure Document, "Bahama Buck's" means Bahama Buck's Franchise Corporation, the franchisor. "We" or "us" mean Bahama Buck's and our affiliate. "You" means the person or entity who buys the franchise. If the franchisee is a partnership, corporation or other legal entity, "you" sometimes includes the franchisee's officers, directors, owners, shareholders or partners individually.

BAHAMA BUCK'S

Bahama Buck's is an Arizona corporation. It was incorporated on June 8, 1992. Bahama Buck's maintains its principal place of business at 5741 50th Street, Lubbock, TX 79424. Bahama Buck's does business under its corporate name and the trade names "BAHAMA BUCK'S ORIGINAL SHAVED ICE COMPANY" and "BAHAMA BUCK'S."

Bahama Buck's agents for service of process are disclosed in Exhibit K to this Disclosure Document.

Bahama Buck's Business

Bahama Buck's offers franchises to prepare and sell gourmet shaved ice products, island specialties and frozen dessert confections to the public in a refreshment store that primarily includes in-store, walk-up and drive-up sales. Franchisees may also offer coffee products. Bahama Buck's began offering BAHAMA BUCK'S franchises in January 1993. Bahama Buck's has never offered franchises in any other lines of business. Bahama Buck's is not involved in any other business activities.

As of the end of its last fiscal year, Bahama Buck's was operating three stores in one state, all substantially similar to the franchise stores ("BAHAMA BUCK'S Stores") to be operated under the franchises currently being offered by Bahama Buck's. Bahama Buck's has operated stores like a franchisee will operate since June 1992.

Bahama Buck's Parents

Bahama Buck's has no parent entities.

Bahama Buck's Predecessors

One of the principals of Bahama Buck's, Ryan Blake Buchanan, operated the first BAHAMA BUCK'S location in Lubbock, Texas in 1990 before the franchisor company was formed. This location was later transferred to Bahama Buck's in June 1992. Bahama Buck's predecessors have never offered Bahama Buck's franchises or franchises in any other lines of business.

Bahama Buck's Affiliate

Our affiliate, Trade Winds Distribution, LLC ("TWD" or "our affiliate"), a Texas limited liability company, was formed in July, 2008. The principal business address of TWD is 5741 50th Street, Lubbock, Texas, 79424. TWD is a distribution company that will sell products and may offer services to new franchisees. Payments for its products and services will be paid directly to TWD.

Our affiliate has never operated or offered the type of business conducted by franchisees and it has not offered Bahama Buck's franchises or franchises in any other line of business.

BAHAMA BUCK'S ORIGINAL SHAVED ICE COMPANY® Franchises

BAHAMA BUCK'S franchises will prepare and sell well-developed gourmet shaved ice products, island specialties and frozen dessert confections to the public in a refreshment store that includes in-store, walk-up and drive-up sales. Your competition will include other local offering similar refreshment shaved ice, drink and dessert products. These businesses may include food trucks or standalone refreshment stores, and we consider it to be a growing market. As a franchisee, you will provide these services at a location within your specified territory. You and other BAHAMA BUCK'S franchisees may advertise for customers inside and outside of your territory.

Bahama Buck's may grant you the right to open additional stores under a Multi-Store Amendment to your Franchise Agreement as provided in Exhibit D. If you execute a Multi-Store Amendment then you will open the number of businesses in the general locations and by the times specified in the development schedule in the Multi-Store Amendment to your Franchise Agreement. You will pay a development fee to Bahama Buck's.

As an existing franchisee, you may also request an additional franchise for a different territory. If you are in good standing and Bahama Buck's approves your request, you will execute a then-current standard form of Franchise Agreement which may differ from the current Franchise Agreement included with this FDD for the new territory. There is an initial franchise fee for additional franchises.

Your franchise business will be subject to all of the federal, state and local laws that apply to businesses generally, including minimum-age and minimum wage laws, and occupational health and safety laws.

ITEM 2
BUSINESS EXPERIENCE

Ryan Blake Buchanan, Director, Chief Executive Officer and President

Mr. Buchanan has been a Director, Chief Executive Officer and President of Bahama Buck's since June 1992.

Paul Thompson Buchanan, Jr., Director

Mr. Buchanan has been a Director of Bahama Buck's since June 1992.

Eric M. Lee, Director, Chief Financial Officer, Secretary and Treasurer

Mr. Lee has been a Director, Chief Financial Officer, Secretary, and Treasurer of Bahama Buck's since June 1992.

Zyler Buchanan, Business Development Manager

Mr. Buchanan has been the Business Development Manager of Bahama Buck's since September, 2022. Prior to that, from September 2020 until September, 2022 he was an Assurance Association for Ernst & Young, a public accounting firm in Dallas, Texas.

Cynthia M. Buchanan, Director

Mrs. Buchanan has been a Director of Bahama Buck's since June 1992. From January 2008 until the present, Mrs. Buchanan has overseen Bahama Buck's accounting and payroll.

Kippi Buchanan, Director and Assistant Secretary

Mrs. Buchanan has been a Director and Assistant Secretary of Bahama Buck's since June 1992. She also oversees Field Operation systemwide support and facilitates financial deposits and balances for Bahama Buck's corporate locations.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Franchise Fee

You must pay Bahama Buck's an initial lump sum franchise fee of $34,500 when you execute your Franchise Agreement. A portion of this fee is utilized toward payment of the rights to operate the franchised location for the duration of the agreement and the remainder is applied toward the provision of the following services as rendered by Bahama Buck's to you in order to achieve the opening of the franchised location.

- License to operate Bahama Buck's
- Disclosure consultations and area qualification
- Onboarding
- Data analysis support (specifically pertaining to site selection evaluation, lease review, and business plan formulation)
- Architectural review (approved, not provisional), construction management (inclusive of signage and equipment package facilitation)
- Corporate facilitated training period
- Guest facing services through digital, print, or social media
- On-site and remote preopening support from multiple departments

This fee is not refundable under any circumstances.

Inventory, Equipment, Signage and Supplies

You will also need to purchase equipment, inventory, signage and supplies before your business opens. These amounts are not refundable under any circumstances.

Signage and Décor. You may elect to purchase your interior and exterior Bahama Buck's signage, from TWD or an outside vendor. If you elect to purchase these items from TWD, then we estimate that the amount you will pay our affiliate will range from $30,000 to $45,000.

Equipment. You may, at your option, purchase certain equipment and tools from our affiliate, TWD or an outside vendor. If you elect to purchase these items from TWD, then we estimate that the amount you will pay our affiliate will range from $111,000 to $190,000.

Inventory. Flavored and sugar-free concentrates, pre-made frozen dessert confections, ice products, iced coffee or regular coffee products must be purchased from our affiliate, TWD. You may, at your option, purchase supplements from our affiliate, TWD. The estimated amount you will pay us for these pre-opening purchases ranges from $19,000 to $22,000.

Supplies. You may, at your option, logo apparel and other logo products from our affiliate, TWD. Currently Bahama Buck's does not offer these products. The estimated amount you will pay us for these pre-opening purchases ranges from $0 to $30.

Provisional Architect Review Fee

You may use your own architect or our approved architect. If you use an approved architect from the then currently available list of approved architectural service providers, then you will not owe us a provisional architect review fee, as expenses incurred to support evaluation of approved architect plans are incorporated into the initial franchise fee. If you choose to use your own architect then we will review your architect's plans as a provisional assimilation toward becoming an approved architect and you will pay us a fee. You will be charged $5,000 upon submission of your architect's plans for this pre-opening expense. Accordingly, the amount you will pay us will range from $0 (if you choose an approved architect) to $5,000 (if you do not choose an approved architect). This amount is not refundable under any circumstances.

Training

You must complete Bahama Buck's training program at least two weeks before the opening of your BAHAMA BUCK'S Store. This training program tuition for you and one additional participant has been incorporated into the initial franchise fee. For each additional person trained, Bahama Buck's may charge a nonrefundable training fee at Bahama Buck's current training rate. We estimate that this fee will range from $0 if only two people attend to $3,000 if two additional people (for a total of four people) attend all the training.

Multi-Store Amendment

If you wish to develop and operate more than one BAHAMA BUCK'S Store, and if you qualify, you and Bahama Buck's may sign a Multi-Store Amendment to the Franchise Agreement permitting you to develop a specified number of additional stores, at locations you select, subject to Bahama Buck's written approval. A copy of the Multi-Store Amendment is attached as Exhibit D to this Disclosure Document. A separate Franchise Agreement must be

signed for each BAHAMA BUCK'S Store. The initial franchise fee for each location is not reduced but is paid in two installments. Under the Multi-Store Amendment, you will pay Bahama Buck's a development fee equal to 50% of the initial franchise fee for each BAHAMA BUCK'S Store to be opened pursuant to the Amendment (excluding your first store) when you pay the initial franchise fee for your first store. This fee is not refundable, but is credited fully against the initial franchise fee for each store as it is developed (except the first store). . We estimate that the additional development fees you will pay to us can be $0 (if you elect to not enter into the Multi-Store Amendment, to $17,250 if you elect to pay a development fee for one additional location (for a total of two locations) to $34,500 if you elect to pay the development fee for two additional locations (for a total of three locations). Our franchisees typically do not elect to purchase the rights to more than three locations.

ITEM 6
OTHER FEES

Type of Fee (Note 1)	Amount	Due Date	Remarks (Note 2)
Royalty Fee (Note 3)	6% of Gross Sales	Currently collected monthly, on or before the 15th of the month for Gross Sales in the prior month, although we have the right to collect on the Wednesday of each week for the previous week	"Gross Sales" means the gross revenues received from the sale, for cash or on credit, of all items in the operation of your BAHAMA BUCK'S retail business, less applicable sales taxes, coupon credits and discounts. You will pay by electronic funds transfer.
Advertising Fee	2% of Gross Sales	Same as for Royalty Fees	
Development Extension Amendment Fee	6 months for $3,000 12 months for $5,000	Upon execution of the amendment	If you have not fulfilled your opening obligations due to difficulty locating and acquiring an acceptable location.
Provisional Architect Review Fee (Note 6)	$5,000	Upon Submission of your selected Architect's Plan	Payable to Bahama Buck's
Product Rush Fee	Currently the greater of either a $25 fee or 10% or the order's total value for rush service	Upon current product payment terms	If you immediately need a certain product from us and provide us with less than 24 hours' notice, then we will charge you a fee.

Type of Fee (Note 1)	Amount	Due Date	Remarks (Note 2)
Renewal Fee	$7,500	At the time of the renewal	Your obligation is to communicate intent to renew as early as six (6) months prior to conclusion of the current agreement, but not later than two (2) months prior to the conclusion of the current agreement.
Transfer and Assignment Fee	$7,500	At the time of the transfer	Waived if the transfer is for a single store and to a legal entity you control.
Point of Sale Software Fees	$6,500 to $15,500	On demand	The fees are payable to a third party vendor. The amount includes fees for licensing software and purchasing the POS system.
Initial Training	$300 per person per day plus Bahama Buck's expenses	Upon execution of the Franchise Agreement	Bahama Buck's provides initial training for two people for five days. The fee is charged for any additional people. This daily fee will not increase more than 100% each year.
Retraining	$300 per person per day plus Bahama Buck's expenses	Time of training	If you are in default of the Franchise Agreement, Bahama Buck's may require you to attend a training course to cure the default. If so, you will pay Bahama Buck's $300 per person per day. This daily fee will not increase more than 100% each year.
Continuing Training	$300 per person per day	Time of training	Mandatory continuing training programs will be provided at no additional charge. Bahama Buck's may charge a training fee for optional training programs. This daily fee will not increase more than 100% each year.
Annual National or Regional Meetings	$200 per person per day	Prior to or at the meetings	You are also responsible for your costs to attend any meetings. This daily fee will not increase more than 100% each year.

<table>
<tr><th>Type of Fee (Note 1)</th><th>Amount</th><th>Due Date</th><th>Remarks (Note 2)</th></tr>
<tr><td>Social Media Fees</td><td>Estimated range from $0 to $100 per month.</td><td>1st day of each month</td><td>The social media fees are not currently being charged.

We also reserve the right to own the social media accounts used to promote the franchise. If we exercise this right, we have the right to require you to either pay the provider directly or pay us for the provider fees. We also have the right to manage the social media accounts for you and charge you a fee for our services.

This fee will not increase more than 100% each year.</td></tr>
<tr><td>Delinquent Interest, Late Fees & Violation Fees</td><td>Currently the fees are $25 per late payment.</td><td>Beginning on date of delinquency; paid in the same manner as royalty payments</td><td>Interest at maximum rate permitted by law, not to exceed 18% per annum, our then current late fee on any late payments, an additional late fee for each late report, return or financial statement.

Payable on any delinquent amounts and for any delinquent reports you owe Bahama Buck's; payable if you violate the terms of the franchise agreement or manual
Late reports:
<table>
<tr><th>notice</th><th>amount</th></tr>
<tr><td>1</td><td>$0 (Warning)</td></tr>
<tr><td>2</td><td>$100 per</td></tr>
<tr><td>3</td><td>$250 per</td></tr>
<tr><td>4</td><td>$500 per (and likely Termination)</td></tr>
</table>
Violation fees:
<table>
<tr><th>notice</th><th>amount</th></tr>
<tr><td>1</td><td>$0 (Warning)</td></tr>
<tr><td>2</td><td>$100 per</td></tr>
<tr><td>3</td><td>$250 per</td></tr>
<tr><td>4+</td><td>$500 per</td></tr>
</table></td></tr>
</table>

Type of Fee (Note 1)	Amount	Due Date	Remarks (Note 2)
Approval of Suppliers	$150 an hour and actual costs	On demand	If you wish to purchase products or supplies from non-approved vendors, you will pay Bahama Buck's its then current fee and actual costs for evaluating the supplier. Your suppliers must also pay us our then-current licensing fee if they are using our trademarks on their products. This fee will not increase more than 100% each year.
Lost, Destroyed or Stolen Manual	$500 per manual	On demand	This fee will not increase more than 100% each year.
Proprietary Products	Actual costs	As needed	On a continuing basis you must purchase from TWD or Bahama Buck's, our proprietary flavor concentrates, pre-made desserts, iced coffee or regular coffee products; and you must maintain a 30-day inventory. You may also purchase supplements for the ice products, equipment, advertising materials and logo apparel from TWD or Bahama Buck's. Currently. you may order empty/loadable gift cards from us without charge.
Audits	Bahama Buck's actual costs for examining your records	On demand	Payable if you under-report amounts owed to Bahama Buck's by 2% or more.
Restocking Fee	20% of the cost of the products returned to Bahama Buck's in original condition	On demand	Bahama Buck's will provide you with a merchandise credit for the full wholesale purchase price you paid upon your return of ice and dessert products or equipment purchased from Bahama Buck's less a 20% restocking fee.
Indemnification	Actual fees and costs	As incurred	Covers claims and liabilities incurred by Bahama Buck's relating to your business.

Type of Fee (Note 1)	Amount	Due Date	Remarks (Note 2)
Insurance Reinbursement	Bahama Buck's actual cost	Upon your receipt of Bahama Buck's invoice	You must reimburse Bahama Buck's if you fail to maintain required insurance and Bahama Buck's at its option purchases insurance for you.
Attorneys' Fees	Actual amount incurred by Bahama Buck's	As incurred	Attorneys' fees and costs for indemnification or enforcing your Franchise Agreement.
Default	Actual cost to cure your default	On demand	If you are in default of your lease or the Franchise Agreement, Bahama Buck's may cure the default and you must immediately reimburse Bahama Buck's for its costs.
Technology	Currently not assessed	Currently estimated to be paid at the same time as the Royalty Fee	This fee is for set-up, use, and maintenance costs for electronic and technologically related services and support systems for guests and franchisees. We may modify the programs at any time and the fee may periodically be adjusted.

Notes:

1. Your initial franchise fee, and other initial payments to Bahama Buck's before you commence business, are described in Item 5. Except for the Point of Sale Software fees, the fees and charges shown in this chart are all payments you must make to Bahama Buck's. Unless otherwise specified, they are not optional.

2. All amounts are uniformly imposed and payable to us except certain existing franchisees may have different fee obligations under a different form of agreement. For fees that we collect on behalf of an approved supplier, the approved supplier may be changed by us, and the approved supplier may increase or decrease the fees that we collect for it.

3. All fees are non-refundable.

4. "FA" means the Franchise Agreement attached as Exhibit C to this Disclosure Document. The more detailed provisions of your Franchise Agreement on each of these subjects determine your obligations.

5. Area Advertising Cooperatives may be formed for Bahama Buck's in a particular marketing area. Each Bahama Buck's shall be entitled to one vote. All members of the Advertising Cooperative will be required to contribute to the costs.

6. You may use your own architect or our approved architect. If you choose to use your own architect then we will review your architect's plans and you will pay us a provisional architect review fee. If you use our approved architect, the expense to review the architectural plans is included in the initial franchise fee.

ITEM 7

ESTIMATED INITIAL INVESTMENT*

Expenses (Note 1)	Estimated Dollar Ranges		Method of Payment/ Financing	When Due	To Whom Paid
	Low	High			
Initial Franchise Fee (Note 2)	$34,500	$34,500	Lump sum	Upon signing Franchise Agreement	Bahama Buck's
Travel (Note 3)	$0	$2,000	Lump sums	As incurred	Airlines or Car
Living Expenses While Training (Note 4)	$0	$1,500	As incurred	During training	Hotels & Restaurants
Rent (Note 5)	$5,000	$14,000	Lump sums	Usually monthly	Seller, Landlord, Lender
Build-out of existing leased space or Costs for a Free-standing building (Note 6)	$300,000	$750,000	Lump sums	During and upon completion of construction	Contractors
Provisional Architect Review Fee (Note 7)	$0	$2,500	Lump sum	Upon Submission of your selected Architect's Plan	Bahama Buck's
Signage & Decor (Note 8)	$30,000	$60,000	Lump sums	As incurred	Vendors and Bahama Buck's and/or its affiliate Bahama Buck's
Cash registers and related equipment (Note 9)	$6,500	$15,500	Lump sums	As incurred	Revel POS
Equipment (Note 10)	$111,000	$185,000	Lump sums	As incurred	Approved Vendors and Bahama Buck's affiliate
Inventory (Note11)	$19,000	$22,000	Lump sums	As incurred	Approved Vendors and Bahama Buck's affiliate
Supplies (including BB Logoed apparel and products) (Note 12)	$50	$50	Lump sums	As insured	Approved Vendors and/or Bahama Buck's Affiliate

Expenses (Note 1)	Estimated Dollar Ranges		Method of Payment/ Financing	When Due	To Whom Paid
	Low	High			
Utility Deposits (Note 13)	$500	$1,000	Lump sums	As incurred	Utility Companies
Insurance (Note 14)	$2,000	$5,000	Lump sums	Quarterly	Insurance Carriers
Professional Services (Note 15)	$10,000	$75,000	Lump sums	As incurred	Architect/ Engineer Attorney/ Accountant
Licenses & Permits (Note 16)	$500	$1,000	Lump sums	As incurred	Government Authorities
Advertising (Note 17)	$500	$1,500	Lump sums & monthly	As incurred	Telephone Company and Media
ADDITIONAL FUNDS FOR 3 MONTHS** (Note 18)	$20,000	$20,000	Lump sums & monthly	As incurred	Vendors, Bahama Buck's
TOTALS (Note 19)	**$539,550**	**$1,190,500**			

*****Your estimated initial investment before you begin operating your BAHAMA BUCK'S business and for your first 3 months of operations are shown in this item.

** The additional funds reflects the Small Business Administration ("SBA") recommendations and requirements. (Note 18)

YOUR ESTIMATED INITIAL INVESTMENT

(Costs for a 3 – Store Multi-Store Franchise)*

Expenses (Note 1)	Estimated Dollar Ranges		Method of Payment/ Financing	When Due	To Whom Paid
	Low	High			
Multi-Store Amendment (MSA) Development Fee (2nd location) (Note 2)	$17,250	$17,250	Lump sum	Upon signing Multi-Store Amendment (per add'l area)	Bahama Buck's
Multi-Store Amendment (MSA) Development Fee (3rd location) (Note 2)	$17,250	$17,250	Lump sum	Upon signing Multi-Store Amendment (per add'l area)	Bahama Buck's
Single Location Costs from Above – 1stnd location	$539,050	$1,190,500	Lump sums & monthly	As incurred	Vendors, Bahama Buck's

Expenses (Note 1)	Estimated Dollar Ranges		Method of Payment/ Financing	When Due	To Whom Paid
	Low	High			
2nd location - Single Location Costs from Above –less $17,250 Dev. Fee paid	$521,800	$1,173,250			
3rd Location - Single Location Costs less $17,250 Dev. Fee paid	$521,800	$1,173,250			
TOTALS (Note 18)	**$1,617,150**	**$3,571,500**			

*****Your estimated initial investment before you begin operating your BAHAMA BUCK'S business and for your first 3 months of operations are shown in this item when opening an additional two development stores.

Notes:

1. In general, with the possible exception of rent and utility deposits which may be refundable, none of the expenses in the above chart are refundable.

2. The initial franchise fee is $34,500. If you and Bahama Buck's agree that you will open more than one BAHAMA BUCK'S Store, you will incur additional initial fees. We have included the initial development fee and current estimated development costs for two additional locations. For each location you will have location specific costs. You will be disclosed with a Franchise Disclosure Document for each location with updated initial investment numbers.

3. The low estimate recognizes that owners of multiple stores may not attend training. Airfare for two people flying into Lubbock is estimated at $1,000 each.

4. Owners of stores currently in operation without default or deficiency may opt to reallocate training schedules and therefore may incur no costs for lodging expenses. The high estimate includes food and lodging expenses for 2 persons for approximately 5 days in Lubbock, Texas. No estimate is included for car rentals or other personal expenses. The estimates should be increased if more than two people will be attending training.

5. You may purchase or lease the land and building for your BAHAMA BUCK'S Store. Typical locations are either part of an existing space such as in a strip center or regional mall or are free standing buildings. A BAHAMA BUCK'S Store can be either part of another shopping center (an "inline location") or be free standing. The inline location typically has 1,000 to 1,800 square feet. The free-standing location typically has 1,000 to 1,700 square feet. Rent can vary significantly depending on factors such as size, condition, location of the property, local market conditions and tax rates. Based on the experience of its company locations and other franchisees prior to the issuance date of this FDD in Arizona, California, Colorado, Florida, Louisiana, Missouri, Nevada, New Mexico, Oklahoma, Texas, and Utah. Bahama Buck's estimates that the initial payment for the rent and security deposit required prior to opening may range from $5,000 to $14,000 per month (assuming there is no percentage rent). The low rent estimate presumes that the landlord is only requiring a deposit prior to opening. The high estimate assumes the landlord requires the first month's

rent and the last month's rent, including the security deposit. Because individual cases vary so widely, no estimates for real estate purchase payments are included in the chart of your estimated initial investment. Rent deposits may or may not be refundable depending upon your agreement with your landlord.

6. The leasehold improvements vary depending on whether you select an inline or a free standing location. The estimate range of leasehold improvements for an inline location is $270,000 to $450,000 based on an estimated $225-$270 a square foot. The estimated range of leasehold improvements for a free standing location range from $500,000 to $800,000 depending on the size of the building. The leasehold improvements for a free-standing location do not include paving costs or property improvements. If the leasehold improvements or any other portion of your initial investment are financed, the initial investment will be reduced, but your working capital needs will increase to cover debt service on the loan. See note 15 below.

   If you elect to enter into a Mobile/Satellite Sales Amendment then you may have additional costs for the mobile/satellite unit. The signage for the mobile/satellite unit is a “wrap” and cost is included in the estimate.

	Cart	Trailer			Truck
Size	4, 6, 8 Ft	12 Ft	16 Ft	20 Ft	18 Ft
Low Estimate	$7,000	$44,500	$48,200	$57,000	$135,000
High Estimate	$10,000	$79,300	$88,600	$113,500	$159,600

7. You may use your own architect or our approved architect. If you choose to use your own architect then we will review your architect’s plans and you will pay us a provisional architect review fee. If you use our approved architect, the expense to review the architectural plans is included in the initial franchise fee.

8. Includes the costs of interior and exterior Bahama Buck's signage, which you may elect to purchase from TWD or an outside vendor. The low estimate includes one interior menu, one décor sign and one exterior sign. This estimate does not include the costs of installation, which will not be done by us. The high estimate includes optional signage that includes two exterior signs, a drive-thru menu box, an inside interior menu, interior signs, and logoed food signs. The signage cost estimates for any mobile unit is included in the above note. Your purchases from TWD are estimated to range from $30,000 to $60,000.

9. The estimate for (Revel base package) cash registers and related equipment includes one terminal, software licensing fees and installation costs. No extra computer is required. Shipping is estimated to be $100. No debt service is included for any financing you may receive.

10. You may elect to purchase your equipment, tools, tables, chairs, supplies and décor from TWD and/or an approved vendor. Equipment may include, but is not limited to, blenders, refrigerator, freezer, ice makers, shaver station, sinks, faucets, shelving, filtration systems, juice gun, and prep stations. This estimate is based upon TWD’s equipment prices. If you lease or finance your equipment, the initial investment will be reduced, but your working capital needs will increase to cover the lease payments. See note 15 below. TWD estimates that the initial deposits for leasing equipment would range from $500 to $1500. Your purchases from TWD are estimated to range from $117,000 to $145,000.

11. You must purchase Bahama Buck's flavored ice concentrates and pre-made desserts and maintain a 30-day inventory. You may elect to purchase other inventory from TWD or an approved vendor. The estimated amounts are based on the purchase price from TWD. Your purchases from TWD are estimated to range from $19,000 to $22,500.

12. You may, at your option, logo apparel and other logo products from our affiliate, TWD. Currently Bahama Buck's does not offer these products. The estimated amount you will pay us for these pre-opening purchases ranges from $0 to $50.

13. Includes deposits for water, electricity, gas, telephone and other utilities. See note 4 above regarding real estate lease security deposits. Utility deposits may or may not be refundable, depending upon each utility company's refund policy.

14. Estimated quarterly premium for comprehensive general liability coverage on all real and personal property at 100% of replacement cost and with a $1,000 deductible. Premiums for workers compensation insurance are not included in this estimate because those premiums are not paid until you are open. Premiums for insurance other than property, liability and worker compensation are also not included.

15. This estimate includes architectural and engineering fees that may range from $12,500 to $75,000.

16. License and permits costs will vary based upon your state and local laws.

17. Includes pre-opening "VIP night" advertising of $500 to $1,500. For the VIP night, which is a promotional night where you provide free products to select groups, we are currently providing 500 VIP guest invitations and envelopes, "now open" banner and/or A-frame sign, 2,000 coupon cards, 1,000 paper menus, 1,000 VIP passes, 250 business cards, 500 envelopes and shop media opening kit (product posters and displays) without charge. We reserve the right to adjust the amounts and types of materials depending on the current market conditions. Although we do not anticipate charging for these items in the future, we have the right to do so. The estimated advertising costs for VIP night include estimated labor costs for delivery of promotional items and the purchase of optional gift baskets that we recommend you distribute to various governmental and business people in your area. We recommend that you have a separate grand opening event approximately 30 days after you first open. The advertising cost estimate for a grand opening event is included in your working capital estimate.

18. The estimate for additional funds includes funds to cover operating shortfalls and cash flow shortages during your first 3 months of business. BAHAMA BUCK'S Stores operated by Bahama Buck's and its related parties have not incurred these working capital shortfalls; however, because your experience might vary, these estimates are included. The high range reflects the additional capital requirement that the Small Business Administration ("SBA") has required our prior franchisees to have. We would estimate that the high range of additional funds is $40,000 for a franchisee that is not obtaining an SBA loan. Estimates for the premium amount for worker's compensation insurance are not included in the low estimate because worker's compensation insurance is not required in Texas and may not be required in your state. The premium for workers compensation is included in the high estimate. Three months of Technology Fee are included in the high estimate. Estimated salaries for 12 to 18 part-time employees are considered, but a salary for you or a manager is not included. As Texas does not collect state payroll taxes, no estimates for these taxes have been included. You will need to include your state's payroll taxes in your calculations. Estimated royalty fees and advertising and support fees are also considered. Further optional monthly services for employee time clock services and monthly backup services

are included in the high range amount. Utility expenses can vary significantly depending on location and season and have not been considered. No real estate mortgage payments are considered. See note 4 above. No debt service is included for any financing you may obtain. See note 7 above. No equipment lease payments are included. The amount of additional operating funds was estimated from our experiences. See note 8 above. Rental payments are included. See note 4 above.

19. We or our affiliates have no obligation to provide financing to you, either directly or indirectly through third parties.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases from Bahama Buck's or its Affiliate

You must purchase BAHAMA BUCK'S flavored and sugar free concentrates and pre-made frozen dessert confections, ice products, iced coffee or regular coffee products (collectively, "Ice Products"), solely from our affiliate, TWD. If you immediately need a certain product from us and you provide us with less than 24 hours' notice, then you must pay us a product rush fee for the rush service.

You must also pay us fees for additional training and any temporary management services provided by us. You also pay us to review your architect's plans if you choose to use your own architect instead of using our approved architect. There are no other goods or services that you must purchase from us to establish or operate your business.

Optional Purchases from Bahama Buck's or its Affiliate

You may elect to purchase supplements for the Ice Products, equipment, tools, gift cards, logo apparel and other logo products and supplies either from our affiliate TWD or from a third party supplier in accordance with our specifications as described below.

We currently offer a gift card program in which the cards may be used at any BAHAMA BUCK'S Store. Under this program, you may order gift cards from us that you will then sell to your customers and load with dollar values through the provider service. Gift cards that may only be used at a specific location will be prohibited. Currently there is no charge for the gift cards. If you become a franchisee, then you agree to adhere to the requirements of this program. There is not currently a processing fee to be paid for the program but there might be a purchase fee or processing fee in the future. The details of this program will be stated in our Manuals. We may change or cancel this program at any time although we do not have any current intention of doing so.

The former program utilizing gift checks will continue to be honored for the benefit of our guests. Gift checks may be redeemed at any BAHAMA BUCK'S Store and are treated the same as receiving any other check. The checks do not have an expiration date.

Except for purchases from us or our affiliate as discussed above, none of our officers owns an interest in any of our suppliers.

Approved Suppliers

We do not currently negotiate purchasing arrangements for the benefit of franchisees but we occasionally negotiate price terms with suppliers that may benefit franchisees. We have

entered into an agreement with a credit card processing company, First Data Merchant Services ("First Data"), under which you may execute a separate contract with First Data for its credit card services and assistance. We will not be a party to your contract with First Data and First Data is not obligated to offer credit card services to you. First Data is the only credit card processing company that we refer our franchisees to but you may use any credit card processing service that you wish. Additionally, The Windsor Realty Group ("Windsor Realty") is our approved supplier of site evaluation and real estate services. You are not required to use Windsor Realty but if you do, then you will be required to enter into a separate agreement with Windsor Realty. Under the agreement, the broker fee is usually $6,000 and is typically collected from the landlord or seller upon lease or sale. If the full amount is not collected from the landlord or seller, then you will be responsible for the difference between the amount collected and the broker fee under the contract. Other than as discussed above, no discounts are currently available.

We currently maintain a list of approved suppliers that will be provided to you after you sign the Franchise Agreement. We evaluate our suppliers based on products, financial capacity, business reputation, delivery performance, credit rating and other relevant criteria. You are not required to purchase items from our approved suppliers, but if you elect to purchase items from a non-approved supplier then those items must meet our specifications which will be set forth in our Manuals. We may in the future require you to purchase all your indoor and outdoor signs, stationery and forms from suppliers that we approve.

You may request that we approve a new supplier. Based on information and samples from the supplier that you must furnish, we will evaluate the vendor's products, financial capacity, business reputation, delivery performance, credit rating and other relevant criteria, which can be provided upon request by you. Generally, we will notify you of our decision within two weeks from the receipt of your request, but we will respond at least within 30 days. We may charge a reviewed vendor a one-time fee to compensate us for the expense of the review process. If you provide us with sufficient time to evaluate a supplier, we anticipate that we will not charge a fee. We may also require a supplier to provide a rebate payment as a condition for our approval.

If your approved supplier will be producing products or supplies with our trademarks, then we have the right to charge the suppliers our then-current licensing fee as stated in our Manuals. If the supplier does not pay the then-current licensing fee, then we have the right to disapprove that supplier. If you are purchasing products or supplies from a supplier that we have not approved (or continue to purchase supplies or products from a supplier that we previously approved but does not meet our current standards and for which we have notified you of our non-approval), then you are in violation of our policies, standards and procedures and we have the right to charge you a violation fee.

We do not provide any inducements or material benefits to you (for example, renewal or granting additional franchises) based on your purchase of particular products or services or use of particular suppliers. Currently, we receive a rebate of 10% of the net revenue that First Data receives from franchisees. We may, in the future, negotiate one or more agreements with the vendors discussed above or other vendors of equipment and supplies, and receive rebates from such vendors of 0-15% of the amount of purchases from franchises. We may also require such rebate payments as a condition for approval of vendors. Our affiliate, TWD, is the sole supplier of certain products as discussed in Item 5. We may become the designated suppliers or the sole suppliers of other equipment, products or services in the future. Our affiliate may pay us a rebate as well.

Purchases in Accordance with Specifications.

Real Estate. You must follow our guidelines when selecting the site for your BAHAMA BUCK'S Store. The guidelines will be given to you after both of us have signed your Franchise Agreement. Your selection of a site and your lease are subject to our prior written approval. In certain circumstances, a third party that is not affiliated with us may purchase or lease the site for your BAHAMA BUCK'S Store and lease it to you.

Personal Property. All leasehold improvements, signs, fixtures, furnishings, equipment, inventory and supplies for your BAHAMA BUCK'S Store must be purchased and installed in accordance with our standard plans and specifications. You must purchase your computer hardware from Revel POS. You must also have both a dedicated telephone line and CAT 5 line or modem for access to your computer system.

Services. You must obtain a new telephone number, a white pages telephone directory listing and a yellow pages listing. All your advertising is subject to our prior written approval. You must submit a copy of proposed advertising to us for approval at least 5 days before using it. Our failure to respond within 15 days is deemed approval. You must maintain insurance and conform to our accounting and record keeping standards as specified in the Manuals. We will loan you one copy of the Manuals at the beginning of your initial training. We may make periodic revisions to the Manuals by providing copies of changes to you, and you must comply with all these changes. You must maintain general liability insurance, employers' liability insurance, and cyber security and data privacy insurance, naming Bahama Buck's as an additional insured from insurance companies rated at least B+ by Best's or otherwise acceptable to Bahama Buck's, and comply with our accounting and record keeping standards as specified in our Manuals. If you are required to maintain workers' compensation under state law, then you must obtain this insurance and name Bahama Buck's as an additional insured. You must provide your own internet access to our computer system server.

We do not establish specifications for any other goods or services you purchase or lease to establish or operate your BAHAMA BUCK'S Store.

Manuals and Changes to Specifications

We will loan you one copy of the Manuals at the beginning of your initial training. We may make periodic revisions to the Manuals by providing copies of changes to you, in the manner as provided in the Manuals, and you must comply with all such changes. You must be able to efficiently access our website to download manual updates (Franchise Agreement § 9.5).

We will consider any request for the modification of specifications, or for the approval of equipment or supplies, upon submission of a written request. For a modification, your request must state the reason for the modification. For an approval, you must provide sufficient technical data to enable Bahama Buck's to determine if the item meets specifications. We will notify you of our decision within a reasonable time after receipt of your request. We reserve the right to perform such tests as we deem necessary to determine if any item meets our specifications. We will approve a request if we determine that the item meets specifications then in effect.

Revenues of Bahama Buck's and its Affiliate from Sales to Franchisees

In their most recent fiscal year, Bahama Buck's and its affiliate had the following revenues shown below from sales and leases to franchisees for optional purchases and for required purchases under the terms of the Franchise Agreement:

Company (Note 1)	Type of Goods and Services Purchased or Leased to Franchisees	Gross Revenues from Franchisees' Purchases and Leases of Products and Services		Total Revenues (Note 1)	Revenues from Franchisees as a Percentage of Total Revenues	
		Optional Purchases	Required Purchases		Optional Purchases	Required Purchases
Trade Winds Distribution	Equipment, Tools, Supplies	$6,248,045		$7,785,748	80.38%	
Trade Winds Distribution	Ice Products			$7,785,748	13.63%	
Trade Winds Distribution	Shipping Services (Note 2)	$466.359		$7,785,748	5.99%	
Bahama Buck's Franchise Corporation	Training/ Fees-Master (Note 3)	$1,488		$7,785,748	0.002%	

Notes:

1. Based on the unaudited financial statements of Bahama Buck's affiliate Trade Winds Distribution for its fiscal year ended December 31, 2024 and the audited financial statements of Bahama Buck's Franchise Corporation for the year ended December 31, 2024. The total amount of revenue for Bahama Buck's Franchise Corporation does include advertising fund fees collected, which are not considered to be a purchase of a product or service by franchisees.

2. The only service amounts that franchisees paid to Trade Winds Distribution were for shipping services.

3. Bahama Buck's Franchise Corporation received optional fees for training during the past fiscal year. There were no required purchases charged to any franchisees.

Percentages of Franchisee Purchases

Bahama Buck's estimates that the cost of the goods and services you will purchase from us (primarily from our affiliate TWD) and in accordance with our specifications, will be approximately the following percentages of your total purchases in connection with the establishment of your business, and of your total annual purchases thereafter in connection with the on-going operation of your business:

Estimated Percentages of Franchisee Purchases	Percent of Total Purchases in Connection with the Establishment of Your Business		Percent of Total Annual Purchases in Connection with the On-Going Operation of Your Business	Percent of Ongoing Operations
	In-Line	Free Standing		
Required Purchases from Us	**20.74%**	**$148,998.98**	**16.44%**	**11.85%**
Optional Purchases from Us	**0.00%**		**0.00%**	**0%**
Purchases from Approved Suppliers	**76.37%**	**$674,987.00**	**74.46%**	**88.15%**
Purchases in Accordance with Bahama Buck's Specifications (Note 1)	**2.89%**	**$82,500.00**	**9.10%**	**100%**
Total Purchases in All Categories Above		**$906,485.98**		

Purchasing Cooperatives

There are currently no purchasing or distribution cooperatives. We may negotiate purchase arrangements with suppliers (including price terms), for the benefit of the franchise system. We do not provide material benefits to you (for example, renewal or granting additional franchises) based on your purchase of particular products or services or use of particular suppliers.

Multi-Store Amendment

All of the restrictions on sources of products and services in this Item 8 apply to all of the stores opened under a Multi-Store Amendment.

Required Insurance

Franchisee is required to maintain at all times, at Franchisee's own expense all insurance required by law, the terms of the lease, all leases of equipment used in the Franchise Business and as provided in the Manual. Policies may include employers' liability coverage, cyber security and data privacy policies, general commercial liability, and other standard policies.

ITEM 9
FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise 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 (Notes 1 and 2)	Item in Disclosure Document
a. Site selection and acquisition/lease	FA §§ 1.4, 3; FA Ex 1 § 3.1; MSA §§ 2.2, 2.3	Items 5, 8,11, 12
b. Pre-opening purchases/leases	FA §§ 2.1, 2.2, 3.2, 3.4, 3.5, 9.4.2	Items 5, 6, 7, 8, 11
c. Site development and other pre-opening requirements	FA §§ 2.1, 2.2, 2.3, 3, 8.2, 8.5.1(B); MSA §§ 2, 4	Items 7, 11
d. Initial and ongoing training	FA §§ 8.5, 1.3.4, 13.3.3	Items 5, 6, 7, 8,11
e. Opening	FA §§ 2, 3.1, 3.5.2, 8.2, 9.6.2	Items 11, 12
f. Fees (Note 3)	FA §§ 2.3, 3.2, 3.3, 7, 8.4.7, 8.5.2, 9.4.1, 9.10.1, 9.13, 11.2.3, 12.3.3, 12.3.6, 12.3.7, 12.5, 13.5.1, 14.7; Ex 4, MSA § 3.1, 3.2, FA Ex 1 § 4.1	Items 5, 6, 7, 8, 10
g. Compliance with standards and policies/Operations Manual	FA §§ 2.1, 2.2, 3.5.1, 3.8, 6.3, 6.8, 7, 8.3, 8.4.4, 8.4.5, 8.7.1, 9.1, 9.2, 9.4.1, 9.4.2, 9.5, 9.6, 9.7.3, 9.7.4, 9.8, 9.10, 9.14.1, 9.14.2, 10.2, 10.3.2, 10.4, 10.6, 11.2.2, 11.2.3, 12.3.1, 12.3.5, 13.3.1(B)(E); FA Ex. 4, §§ 3, 7	Items 8, 11, 14, 17
h. Trademarks and proprietary information (Note 4)	FA §§ 1.1, 3.6, 5.3, 5.3.1, 6, 8.8, 10; FA Ex. 3	Items 11, 12, 13, 14, 16, 17
i. Restrictions on products/services offered	FA §§ 1.4, 1.5, 4, 8.4, 9.4, FA Ex 4	Items 5,12, 13, 16
j. Warranty and customer service requirements	FA §§ 9.2, 13.3.1(R)	Items 12, 13, 16
k. Territorial development and sales quotas	FA § 1.4; MSA §§ 2, 4	Items 1, 5, 11, 12
l. Ongoing product/service purchases	FA § 8.4	Items 5, 6, 7, 8, 11
m. Maintenance, appearance and remodeling requirements	FA §§ 3.5, 3.6, 3.8, 10.2, 11.2.2, 12.3.5, 13.3.1(B)	Items 7, 11, 17
n. Insurance	FA §§ 7.14.1, 9.14	Items 6, 7, 8
o. Advertising	FA §§ 2.1, 3.6, 6.3, 7.4, 7.6.1, 8.7, 9.6, 13.5.2(A)(B)	Items 7, 8, 11
p. Indemnification	FA §§ 9.13, 14.5.4, FA Ex 2	Items 6, 11, 13, 14
q. Owner's participation/management/staffing	FA § 9.7	Items 7, 11, 15

Obligation	Section in Agreement (Notes 1 and 2)	Item in Disclosure Document
r. Records/reports	FA §§ 7.6.2, 7.11, 9.10	Items 6, 11
s. Inspections/audits	FA §§ 3.5.2, 7.11, 9.10.5, 10.2.2, FA Ex 4 § 7	Items 6, 11
t. Transfer (Note 3)	FA § 12, 13.3.1(I)	Items 6, 17
u. Renewal	FA § 11.2	Item 17
v. Post-termination obligations (Note 4)	FA §§ 10.1, 10.5, 10.6; 13.5, 13.6, FA Ex. 3	Items 11, 17
w. Non-competition covenants (Note 4)	FA §§ 8.5.1(D), 10.5, 10.6, 12.3.9, 12.6.1, 13.3.1(H), FA Ex 3	Items 14, 15, 17
x. Dispute resolution	FA § 14	Item 17
y. Guaranties (Note 3)	FA § 7.15, 12.5.2, FA Ex 2	Item 17

Notes:

1. FA: The Franchise Agreement that is attached as Exhibit C to this Disclosure Document and its Exhibits. MSA: The Multi-Store Addendum that is attached as Exhibit D to this Disclosure Document.
2. Federal bankruptcy laws and some states' statutes or court decisions may supersede the terms of your Franchise Agreement including choice of law, choice of forum, waivers, releases, periods of limitation, transfer, termination and renewal. See the State Law Addendum attached to this Disclosure Document at Exhibit B.
3. If the franchisee is a corporation or other legal entity, the owners and their spouses are also individually responsible for these obligations (FA § 7.15).
4. If the franchisee is a corporation or other legal entity, the officers, directors and owners are also individually obligated by these restrictions (FA § 10.5.1).

ITEM 10
FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease, or obligation.

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

Bahama Buck's Required Pre-Opening and Operational Assistance

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

Before you open your first BAHAMA BUCK'S Store, we will:

- Designate the boundaries within which you may select your site. (Franchise Agreement § 1.4)
- Assist you in evaluating possible locations for your store. (Franchise Agreement § 3.3) See detailed discussion under the caption "Site Selection" below, and also Item 12.

- Review and give general comments on your business plan. (Franchise Agreement § 2.1)

- Review the plans from the architect. (Franchise Agreement § 7.5)

- Inspect your franchise business. (Franchise Agreement § 3.5.2)

- Provide written guidelines for the site design and appearance of your store and a list of required and recommended equipment, tools, signs, inventory and supplies to be installed by you. (Franchise Agreement §§ 3.5.1 and 8.1)

- Provide initial training for you in Lubbock, Texas or at another BAHAMA BUCK'S retail business as designated by Bahama Buck's. (Franchise Agreement § 8.5) See the detailed discussion under the caption "Training" below.

- Approximately one month before your estimated opening date, we shall provide you with promotional materials as part of your initial franchise fee. Currently, we are providing 500 VIP guest invitations and envelopes, 2 A-frame signs, 2,500 coupon flyers,1,000 paper menus,1,000 VIP passes, 250 business cards, shop media opening kit (product posters and displays), although we reserve the right to adjust the amounts and types of materials depending on the current market conditions. (Franchise Agreement § 8.2).

- Loan you one copy of Bahama Buck's Manuals. (Franchise Agreement § 8.3)

- Offer flavored and sugar free concentrates, pre-made frozen dessert confections, ice products and coffee products which you must purchase solely from our affiliate TWD. (Franchise Agreement § 8.4.1)

Before you open your first BAHAMA BUCK'S Store, we may:

- At Bahama Buck's option, offer supplements for the ice products, equipment, tools, logo apparel and other logo products at competitive prices. (Franchise Agreement § 8.4.1)

- At BAHAMA BUCK'S option, assist with equipment pieces and décor. Guidance may be given as to where to purchase such products. You may, at your option, purchase supplements, equipment, tools, logo apparel and other logo products from our affiliate, TWD. (Franchise Agreement § 8.4.1).

Except where specifically noted, this assistance is also available before the opening of any additional store location under a Multi-Store Amendment.

During the operation of your BAHAMA BUCK'S Store, we will:

- Provide you with support concerning the operation of your business by email and telephone calls to Bahama Buck's help line that will be available during business hours. (Franchise Agreement § 8.6)

- Process your gift card orders. (Franchise Agreement § 7.8)

- Administer the Advertising Fund. See "Advertising" below. (Franchise Agreement § 8.7)

- Make periodic visits to your store to inspect any trucks, trailers or carts that you use for product sales. (Franchise Agreement § 10.2.2)

- Provide you with updates to the Bahama Buck's Manuals through the Internet. (Franchise Agreement § 9.5)

- Assist you in evaluating possible locations for additional stores. (Franchise Agreement § 3.3) See the detailed discussion under the caption "Site Selection" below, and also Item 12.

- Give you right of first refusal on certain specialty locations and national or regional "chain" store account business in your area. (Franchise Agreement § 5.2)

- Indemnify you against claims based solely on your proper use of the Marks. (Franchise Agreement § 6.8)

- Engage in arbitration of disputes over all issues other than the Marks and proprietary information. (Franchise Agreement § 14.4)

- Approve a transfer of your franchise subject to the conditions in your Franchise Agreement. (Franchise Agreement § 12)

- We will review your advertising and use good faith efforts to respond with our approval or denial within 15 days after we receive your advertising. (Franchise Agreement § 8.7.2)

This assistance is available for your first store and for any new store locations within your existing territory or in any new territory if you purchase additional franchises.

Bahama Buck's Optional Assistance

Bahama Buck's may provide on-site assistance at your request. Subject to Bahama Bucks scheduling availability and type of assistance requested, Bahama Buck's may charge its current hourly rate. You will also have to reimburse Bahama Buck's for its travel, lodging and meal expenses during the on-site assistance. (Franchise Agreement § 8.6) We may also offer refresher or additional training at locations selected by us. See additional information under the caption "Training" below. At our option, we may offer you advertising layouts, slicks, copy and promotions which you may modify, use and reproduce subject to our approval. (Franchise Agreement §8.7.3) Bahama Buck's may recommend prices for products and services, but has no obligation assist in establishing prices.

Advertising

Bahama Buck's has established one brand level advertising fund, and may, at its option, establish more. You must contribute 2% of your gross sales to the Advertising Fund. Company-owned stores may contribute to the Advertising Fund. Payments and advertising materials received from vendors may also be contributed to the Advertising Fund. The Advertising Fund may be used to pay for market research, development, branding, quality assurance, advertising materials, promotion or public relations programs, media placement for a national or regional advertising program, or direct mail distribution. All Advertising Funds can be used on a national, regional and/or local basis, and can be used to disseminate advertising through the Internet, and by print, radio and television. (Franchise Agreement § 8.7)

No Advertising Funds are used to solicit the sale of franchises although advertising may include a short statement that provides contact information for parties interested in franchising. Bahama Buck's develops programs and does media placement itself, and also utilizes advertising agencies at various times for these purposes. (Franchise Agreement §§ 8.7.1, 8.7.3) Except for receiving reimbursements for permitted administrative expenses, Bahama Buck's does not receive any payments for providing goods or services to the Advertising Fund. Bahama Buck's administers the Advertising Fund. There is no advertising council of franchisees that advises Bahama Buck's on advertising policies. Any part of an Advertising Fund that is not used in one fiscal year is carried forward to the next fiscal year. Bahama Buck's accounts for the Advertising Fund separately and prepares an annual report of the operations of the funds which is available to franchisees who provide a written request for a copy. (Franchise Agreement § 8.7.1) The Advertising Fund has been subjected to the audit procedures applied in the audit of Bahama Buck's financial statements (at Exhibit H to this disclosure document), as a whole, in accordance with generally accepted auditing standards, but not for the purpose of expressing an opinion on the Advertising Fund cash balance or activity. Bahama Buck's is not required to spend any amount of any Advertising Fund for advertising in your territory. During its last fiscal year, Bahama Buck's expended more than 100% of the funds collected and used reserves from prior years for the purpose of developing, producing and shipping advertisements, of which 58.29% was spent on production, 22.23% was spent on media placement, 18.37% was used for administrative expenses and 1.10% spent for other uses. Bahama Buck's anticipates reimbursement from amounts collected during its current fiscal year.

After your BAHAMA BUCK'S Store opens you must participate in any advertising cooperative that Bahama Buck's establishes in your marketing area. (Franchise Agreement § 8.7.4) As of the date of this Disclosure Document, Bahama Buck's has not established any advertising cooperatives. Bahama Buck's may establish, dissolve and realign advertising cooperative boundaries at any time. Each advertising cooperative operates under written operating rules. If there is a cooperative for your area, you can obtain a copy of its operating rules from Bahama Buck's upon request. The cooperative's activities and the amount of assessments you must pay for its programs and operations will be determined by majority vote, with each store in the cooperative and in good standing (including stores operated by Bahama Buck's) having one vote. (Franchise Agreement § 8.7.4) Cooperatives are not required to prepare financial statements.

You must do a certain amount and type of local advertising in your area, as required in the Manuals. (Franchise Agreement § 9.6.4) You may not establish any electronic media or use any electronic names such as domain names, a website, blog, Facebook page, Instagram account, Twitter account, chat room or use any other electronic media for your business without our prior approval. Bahama Buck's may have a website with a direct link to a web page we create for you. We will own all rights to any franchise system data collected via electronic media. (Franchise Agreement § 9.6.5) You must obtain a new telephone number and a white pages directory listing at your own expense. (Franchise Agreement § 9.6.1) You may also obtain a yellow pages listing and advertising, subject to Bahama Buck's approval (Franchise Agreement § 9.6.1).

You may develop other advertising for your own use at your own cost, or modify or reproduce advertising materials developed by Bahama Bucks that may be purchased at a reasonable, competitive price. (Franchise Agreement § 8.7.3) All your advertising is subject to Bahama Buck's advance, written approval. (Franchise Agreement § 8.7.2) Bahama Buck's will use its best efforts to respond to your request for approval of additional advertising within 15 days. (Franchise Agreement § 8.7.2.) If we disapprove of your advertising, then you may not

use the advertising until you have revised it, resubmitted it and obtained our approval. All of your signage must meet the specifications set forth in the Manual. (Franchise Agreement § 6.3)

Computer System and Software

You must have or obtain a Revel POS System for your store. The estimated cost to lease or purchase your computer system and the electronic cash register ranges from $6,500 to $15,500. The estimated cost to maintain, repair and update the system and software each year is $1,500. We do not anticipate nor currently require any upgrades to the computer system although we have the right to require you to update or upgrade the computer system after giving you three months' notice of the change and there is no limit on the cost or frequency of such an update or upgrade. The system has been in use by Bahama Buck's and its franchisees since December 2014. The Revel POS system is distributed by Revel POS. The computer system serves as your cash register, and provides point of sale and inventory control functions. It also accesses your customer information and employee information. Your store information is stored on a server hosted by Revel POS. Bahama Buck's may implement electronic and technologically related services and support systems for guests and franchisees. Bahama Buck's will own any information it collects but Bahama Buck's will share information with you for your specific location.

You must also have independent access by Internet to Bahama Buck's computer server. (Franchise Agreement § 9.5) The minimum specifications for your computer system, and Bahama Buck's recommended upgrades, are listed in the following chart:

Computer Hardware Requirements		
Equipment	**Minimum Specifications**	**Recommended Specifications**
Operating System	Windows XP, MacOS Lion, Android 4.1, iOS 6	MacOS X, Windows 7, Windows 10, Android 4.1 to current, and iOS 10 to current
Processor Type	Dual Core Pentium, Celeron 2.26 Ghz, AMD Dual Core equivalent	Core i3 or AMD equivalent
Hard Drive Size/Capacity	40 GB	40 GB or more
Virtual Memory	2 GB	4 GB or more
Monitor Size and Resolution	15" Super VGA, 1024 x 768, 16 bit color	15" Super VGA, 1024 x 768, 32 bit color
Communications	Broadband connection to the Internet (Example: DSL, cable, modem)	Broadband connection to the Internet (Example: DSL, cable, modem)
Back-up Device	USB device	USB device
Peripheral Ports	1 Parallel Port 1 USB Port	1 Parallel Port 1 USB Port
Printers	2 Thermal Receipt Printers (i.e. Epson or Star)	2 Thermal Receipt Printers (i.e. Epson or Star)
Miscellaneous Peripheral and I/O Devices	1 Standard Keyboard 1 Standard Mouse 1 Standard CD-ROM	1 Standard Keyboard 1 Standard Mouse 1 Standard CD-ROM
Uninterrupted Power Supply	Any generic UPS unit	Any generic UPS unit

The computer system will be used to maintain your payroll and customer records, and collect information regarding employee earnings, and customer sales and payments. Bahama Buck's has unlimited access to this information through the Revel POS server where your data will be stored, also through any additional reports you are required to provide to Bahama Buck's. Bahama Buck's has the right to close your access to the system database in the event you are in default under your Franchise Agreement. (Franchise Agreement § 9.10) Although Bahama Buck's has the right to make consolidated information about its franchisees public, it is contractually required to keep specific information about your business confidential except with limited exceptions. (Franchise Agreement § 8.8)

Manuals

Copies of the table of contents of Bahama Buck's current operations manuals ("Manuals") is attached as Exhibit E to this Disclosure Document. The Manuals have a total of 326 pages. The table of contents shows the number of pages devoted to each subject.

Site Selection

Bahama Buck's grants you a temporary reserved area within which you must establish your franchised business. (Franchise Agreement § 1.4) For a description of the franchised business you must open, and your option to open additional stores. You are responsible for locating an appropriate site for each of your stores. Bahama Buck's must approve each proposed site. (Franchise Agreement § 3.1) Bahama Buck's will review a proposed site within 30 days after receiving the proposal from you. Bahama Buck's does not own or lease sites and then lease or sublease them to franchisees. Bahama Buck's will approve the site for your franchised business based on factors such as neighborhood, area demographics, area competition, traffic patterns, access, parking, size, layout, length of availability, and the terms and conditions of any proposed lease or purchase contract. (Franchise Agreement § 3.1) Bahama Buck's assists you in evaluating possible locations for your stores from a business operator perspective, although Bahama Buck's anticipates that you will probably use the real estate specific site evaluation and real estate services offered by Windsor Realty. (Franchise Agreement § 3.3) You must submit the architect's plans to us for review. If you choose to use an architect not currently in our pool of approved service providers, then you must pay us a provisional architect review fee for our review of the architect's plans. We may determine that changes to the plans are necessary to meet our standards. If the architect charges for changes, then you must make these changes at your own expense. (Franchise Agreement § 7.5) You must notify Bahama Buck's in advance of the location for any store if you desire to relocate. (Franchise Agreement § 3.7)

If you enter into a lease with a third party for the site of your franchise business, you and the landlord must sign an addendum to your lease giving Bahama Buck's rights to receive notices from the landlord and the option to assume your lease upon the expiration or termination of your Franchise Agreement. (Franchise Agreement § 3.4)

The length of time between signing the Franchise Agreement (when the initial fee is paid) and the opening of a franchisee's business is typically 12 months. If you have not begun operation of your business within 12 months, Bahama Buck's will have the right to terminate your Franchise Agreement without refunding your initial fee unless you execute an extension amendment. If you are not able to open within twelve months due to difficulty locating and acquiring an acceptable location, you may execute a Development Extension Amendment and pay a fee for an extension to your opening deadline. The fee is $3,000 for an additional six months from the execution date of the amendment or you may pay $5,000 for an additional twelve months from the execution date of the amendment. If you have not opened by the end of

the extension term, Bahama Buck's will have the right to terminate your franchise agreement without refunding your initial fee or extension payment. (Franchise Agreement §§ 2.2 and 2.3; Exhibit 7 to Franchise Agreement).

Unless specifically stated otherwise in your Multi-Store Agreement, Bahama Buck's process and timeline for approving locations for each additional location will be under its then-current site selection criteria.

Opening

Factors affecting this length of time may include the ability to obtain a lease, making acceptable financing arrangements, meeting local ordinances or community requirements, timely delivery of equipment or supplies, and other factors bearing on completion of construction, remodeling, decorating, purchasing and installing equipment, fixtures and signs and similar factors. You have 12 months from the effective date of your Franchise Agreement to commence your business unless you qualify to extend this deadline with payment of an extension fee. (Franchise Agreement § 2.2)

TRAINING PROGRAM

Our initial training program as of the date of this Disclosure Document is described in the following chart:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Methods and procedures for operating the franchise	10	10	Bahama Buck's corporate HQ
Advertising and promotional programs	2.5	2.5	Bahama Buck's corporate HQ
Recruiting, screening and selecting employees	2.5	2.5	Bahama Buck's corporate HQ
Administrative, accounting and general management	5	5	Bahama Buck's corporate HQ
TOTAL HOURS	**20**	**20**	

The classroom training will be conducted at Bahama Buck's corporate headquarters located in Lubbock, Texas. The "On the Job Hours" training will usually be conducted at another BAHAMA BUCK'S retail store as designated by Bahama Buck's in Texas, but a portion of these hours may be conducted at the corporate headquarters. Training will be offered as needed. Each instructor has at least 3 years of experience in the subject the instructor is teaching. Training will be under the direction of Blake Buchanan, Bahama Buck's President and Chief Executive Officer. We will use advertising and sales materials and our manuals as our principal instructional materials.

If you are a new franchisee, you (or your designated representative if you are a legal entity) must complete Bahama Buck's initial training program to Bahama Buck's satisfaction at least two weeks before opening. (Franchise Agreement § 8.5) The initial training program consists of approximately five continuous days of training. Bahama Buck's provides this initial training to you and one additional person as part of the initial franchise fee. Bahama Buck's recommends that the additional person attending be a key individual for the business. Any additional or subsequent designated representative must also attend and satisfactorily complete

our training program. For any additional person trained in the future, Bahama Buck's may charge you fees and expenses at Bahama Buck's current training rate. (Franchise Agreement § 8.5.1) During initial training, you (or your employees) must pay all travel, lodging, meals and other personal expenses you or any of your employees incur, and you are responsible for any compensation or benefits due to employee trainees. (Franchise Agreement § 8.5)

Bahama Buck's is not obligated to offer you additional training. However, if Bahama Buck's offers such training, you may be required to take it. If you are required to take it, there will be no additional tuition charge unless the additional training is for a retraining program due to identified default. (Franchise Agreement § 13.3.3). If the training is optional, then Bahama Buck's may charge you tuition if you elect to attend. However, in either case, you will still be responsible for all travel, lodging, food and other personal expenses of those who attend additional training. (Franchise Agreement § 8.5.3)

ITEM 12
TERRITORY

Temporary Reserved Area

This area may be up to a 3 mile radius, and takes into account population and traffic patterns and is delineated by the political boundaries of cities or counties, or by the center of boundary streets or highways, as those boundaries are in existence at the time you execute the Franchise Agreement. This geographic area has no significance after a site has been selected, or after 6 months if no site has been selected within that time. You have no rights to obtain additional franchises or areas unless you enter into a Multi-Store Amendment as described below. You are not required to meet any sales quotas or any other conditions in order to maintain the area. Your temporary reserved area may not be reduced.

Your Territory

You will not receive an exclusive territory. Your rights in your territory are described below. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

You must locate a site for your BAHAMA BUCK'S business within the temporary reserved area described and visually represented in Exhibit 1 to the Franchise Agreement within 6 months of the effective date of your Franchise Agreement. Your territory will be an area with an approximate population of 25,000 to 50,000 people surrounding the site that you have selected, based upon age and demographics. Bahama Buck's caters primarily to family units and people under the age of 54. The site of your BAHAMA BUCK'S business must be approved by Bahama Buck's. In evaluating the location, Bahama Buck's may consider such factors, including but not limited to, area competition, area demographics, population and traffic patterns. After the execution of your Franchise Agreement, Bahama Buck's will insert the agreed upon site address and visual representation of the protected area into Exhibit 1 to your Franchise Agreement. Your franchise is the specific location site as set forth in Exhibit 1 to your Franchise Agreement and your territory will be the geographic area with an approximate population of 25,000 to 50,000 people surrounding the site, as further shown by the visual representation of the protected area in Exhibit 1 of the Franchise Agreement. You must open your BAHAMA BUCK'S business within 12 months of the effective date of your Franchise Agreement. You may not relocate your business within your territory without Bahama Buck's prior written approval. You may relocate your BAHAMA BUCK'S business to any area that meets our site selection criteria as set forth in Item 11 and is approved by us in writing and does not infringe on another

franchisee's territory. You are not required to meet any sales quotas or any other conditions in order to maintain the area. Your territory may not be altered during the term of your franchise. Upon renewal for a new franchise term, you will execute the current form of franchise agreement, which may contain materially different terms and which may include a reduction in territory size.

You may not relocate your BAHAMA BUCK'S retail business within your Territory without our prior approval, which we will not unreasonably withhold. You shall use commercially reasonable efforts to obtain a lease term and renewals for the premises of the Franchise Business that extends through the term of this Agreement. If the lease expires or is canceled for reasons other than your default, and cannot be extended or renewed on reasonable terms, you shall promptly relocate the Franchise Business within twelve months at your sole cost and expense (including reimbursement of our reasonable expenses for approvals and assistance) to a site, and on lease terms consistent with the then-current Franchise Agreement.

Solicitation of Customers

You may solicit customers both inside and outside of your territory and other BAHAMA BUCK'S franchisees may solicit customers inside your territory as well. You will have the right to use other channels of distribution such as catalogs, telemarketing or other direct marketing to solicit sales outside of your territory. You may only sell BAHAMA BUCK'S products from your approved site location unless you execute a mobile/satellite sales amendment that permits you to sell BAHAMA BUCK'S products from a truck, trailer, cart or using other mobile equipment at approved events or venues. You may not establish an Internet website but we may establish a website with your site location information. You must have our approval of any marketing materials that you use. Bahama Buck's may sell its shaved ice, tropical drink, dessert products and coffee products to the public through other channels of trade, including the Internet, and may sell inventory at wholesale to businesses in your area but it has no current plans to do so. We are not required to pay you if we exercise any of the rights specified above inside your territory.

Store Locations

Bahama Buck's may enter into agreements for special or national accounts, such a resort, shopping mall, hospital, educational facility, amusement park, sports facility, museum, theater, airport, bus or railway station, or national or regional chain (having units in two or more states), to operate a BAHAMA BUCK'S retail business at those special locations that could be either within and outside your territory. You will be given the option of providing the services at the locations within your Territory if the agreement permits. If you do not elect to do so upon the terms Bahama Buck's has contracted for, then Bahama Buck's or someone else it selects may do so without any payment to you. Otherwise, so long as you are not in default under your Franchise Agreement, Bahama Buck's will not itself establish or license any other franchisee to establish a BAHAMA BUCK'S business in your territory under the BAHAMA BUCK'S trademarks or any other trademark for the purpose of providing shaved ice products, island specialties, frozen dessert confections and coffee products, except for certain national accounts. Bahama Buck's also has the right, however, to establish, and license others to establish BAHAMA BUCK'S businesses outside your territory under the BAHAMA BUCK'S trademark or any other trademark.

Other Businesses

Bahama Buck's has the right to operate, and license others to operate, other types of businesses (*i.e.,* businesses other than those operating a retail shaved ice, tropical drink, coffee

product and dessert business) under different trademarks both within and outside your territory. Bahama Buck's has no current plans to engage in any other type of business however. We are not required to pay you if we exercise any of these rights.

Multi-Store Development

If you wish to develop and operate several BAHAMA BUCK'S Stores within a development area, and if you qualify, you may sign a Multi-Store Amendment to the Franchise Agreement permitting you to develop additional stores, all at locations selected by you, subject to Bahama Buck's written approval. The development area in which all of the stores must be opened is designated in the Multi-Store Amendment, and is typically delineated by the political boundaries of cities or counties, or by boundary streets or highways. So long as you are in compliance with the development schedule and not otherwise in default, then until the opening of your last store specified in the Multi-Store Amendment, Bahama Buck's is prohibited from permitting any BAHAMA BUCK'S store in the development area (except in conjunction with national or regional chain stores, as to which Bahama Buck's will give you a 10 day right of first refusal if Bahama Buck's has the contractual right to do so). At the end of the specified time, the development area reverts to Bahama Buck's. Bahama Buck's may then permit other BAHAMA BUCK'S businesses to be located in the development area, so long as they are not located in your stores' territory. The Multi-Store Amendment is Exhibit D to this Disclosure Document.

Unless specifically state otherwise in your Multi-Store Agreement, Bahama Buck's process and timeline for approving locations for each additional location will be under its then-current site selection criteria.

ITEM 13
TRADEMARKS

Licensed Trademarks

You have the right and obligation to use the BAHAMA BUCK'S trademark and other marks that may be licensed to you by Bahama Buck's in the future, only in connection with your BAHAMA BUCK'S franchised business.

All rights and good will arising from your use of Bahama Buck's names and trademarks accrue solely to Bahama Buck's. Marks currently being licensed by Bahama Buck's are BAHAMA BUCK'S used with BAHAMA BUCK'S ORIGINAL SHAVED ICE COMPANY and design, and BAHAMA BUCK'S word mark, to be used solely in connection with the preparation and sale of gourmet shaved ice products, island specialties and frozen dessert confections to the public in a refreshment store. Bahama Buck's may also authorize you to use its names and trademarks in connection with the preparation and sale of coffee products and drinks.

You cannot use a name or mark as part of a corporate name or with modified words, designs, or symbols except for those which Bahama Buck's licenses to you. You may not use Bahama Buck's registered name in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by Bahama Buck's.

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Registrations

Bahama Buck's owns the following registrations on the principal register of the United States Patent and Trademark Office (USPTO):

Trademark	Registration/ (Serial) Number	Registration Date
Bahama Buck's Original Shaved Ice Company and design (black and white version of below)	2,173,029	7/14/1998
Bahama Buck's word mark	3,223,656	4/3/2007
Bahama Bucks Original Shaved Ice Company and design "Long Logo" (black and white version of below)	5,398,894	2/13/2018

Further, Bahama Buck's has slightly redesigned the above logo as the following. Bahama Buck's believes the design is similar to the registered trademark above.

BAHAMA BUCK'S Original Shaved Ice Company	Bahama BUCK'S Original Shaved Ice Company

An affidavit of use and incontestability has been filed for Registration Number 2,173,029 and this mark is now incontestable. Bahama Buck's renewed Registration Number 2,173,029 on May 22, 2018. Bahama Buck's also filed the required affidavits of use and incontestability for Registration Number 3,223,656 on February 9, 2013 and this mark is now incontestable. Bahama Buck's renewed Registration Number 3,223,656 on August 18, 2016. On February 21, 2024, Bahama Buck's renewed Registration Number 86-515649.

Proceedings, Agreements and Infringements

There are no currently effective determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, any court, or the trademark administrator of any state, no pending infringement, opposition or cancellation proceedings, no pending material lawsuits, and no agreements currently in effect, concerning the trademarks that could materially affect your rights. Bahama Buck's is not aware of any superior prior rights to the BAHAMA BUCK'S name or marks which could materially affect your rights.

Infringements

There are other uses of the words "shaved ice" associated with products and services which are sold by third parties not affiliated with Bahama Buck's. Bahama Buck's is not aware of any infringing uses of the BAHAMA BUCK'S name or marks which could materially affect your rights.

Protection of the Marks

You are required to notify Bahama Buck's of any infringing use of BAHAMA BUCK'S trademarks. Bahama Buck's must indemnify you against all claims for trademark infringement based on your authorized use of BAHAMA BUCK'S trademarks listed above in accordance with your Franchise Agreement and the Manuals. You must immediately give Bahama Buck's written notice of any claim against you. Bahama Buck's may take whatever action it deems appropriate regarding any infringement, and has the right to control any proceedings relating to any such claim.

Change of Marks

If it becomes advisable at any time for us to modify or discontinue using any trademark or to use one or more additional or substitute trademarks, you must comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your direct expenses of changing the store's signs, for any loss of revenue due to any modified or discontinued trademark, or for your expenses of promoting a modified or substitute trademark.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents

There are no patents material to your franchise.

Copyrights

Copyrighted Materials. Bahama Buck's Manuals, recipes, formulas, and marketing materials are protected by copyright. These copyrights have not been registered. The Franchise Agreement grants you the right to use these copyrighted materials for the term of the Franchise Agreement. If Bahama Buck's decides to add, modify or discontinue the use of copyrighted material, then you must do so also, at your expense. If you are part of a photograph that we take at the location or at one of our events, we may use that photograph in any publications.

Proceedings and Agreements. There are no pending copyright applications relating to Bahama Buck's copyrighted materials. There are no determinations of the Copyright Office or any court, no pending interference, opposition or cancellation proceedings, and no agreements concerning any copyrighted materials that could materially affect your rights.

Infringements. Bahama Buck's has no actual knowledge of any infringing uses of its copyrights, and there is no pending litigation regarding the copyrights that could materially affect your rights.

Protection of the Copyrights. You are required to notify Bahama Buck's of any infringing use of Bahama Buck's copyrights. Bahama Buck's must indemnify you against all claims for copyright infringement based on your authorized use of Bahama Buck's copyrighted materials in accordance with your Franchise Agreement and the Manuals. You must immediately give Bahama Buck's written notice of any claim against you. Bahama Buck's may take whatever action it deems appropriate regarding any infringement, and has the right to control any proceedings relating to any such claim.

Change of Materials. You are required to discontinue the use of any of our copyrighted materials that we have discontinued at your own expense. If we have modified our copyrighted materials, then we will provide you with the modified materials and instructions for their use and the discontinuance of the revised materials.

Confidential Information

You will be entitled to use Bahama Buck's confidential and proprietary Manuals in the conduct of your BAHAMA BUCK'S business and you will have access to other confidential information, including recipes and formulas for the gourmet shaved ice products, marketing techniques, and customer lists, in the conduct of your business. Bahama Buck's is the sole owner of the confidential information and you will acquire no interest in the confidential information, other than the right to use it in the development and operation of your BAHAMA BUCK'S Store while the Franchise Agreement is in effect. You also will not have any proprietary interest in any work product that you develop or use in the operation of your BAHAMA BUCK'S Store.

You are obligated to protect the confidentiality of this information and materials, and to prevent the wrongful disclosure or duplication of these materials and the information in them.

You, and your officers, directors, designated representatives, owners and any employee with access to confidential information must each sign the Confidentiality Agreement and [For Key Individuals] Noncompetition Agreement ("Confidentiality and Noncompetition Agreement") attached to this Disclosure Document as Exhibit 3 to the Franchise Agreement.

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

Bahama Buck's strongly believes that the success of your business will depend on your personal and continued efforts, supervision and attention. If you are an individual, then you will be required to form a corporation or other form of legal entity to operate your BAHAMA BUCK'S Store before you open your business, and you must also appoint a designated representative for the entity. We also recommend that you have at least one manager as an on-premises supervisor in addition to the designated representative. If you execute a Multi-Store Addendum for more than one BAHAMA BUCK'S Business, you are likely to need more than one manager. We must approve any manager. The on-premises manager does not need to have any equity interest in the franchise, but will be bound by the confidentially and non-competition provisions of the franchise. The initial and any replacement manager must successfully complete initial training and any other seminars, refresher courses or training programs that we may require. The designated representative must successfully complete Bahama Buck's initial training. The designated representative must also be approved by us, actively participate at least 20 hours a week in the operation of your BAHAMA BUCK'S Store, and use his or her full-time best efforts to promote its growth and success. The designated representative will be primarily responsible for your BAHAMA BUCK'S store.

The designated representative must execute a Confidentiality and Noncompetition Agreement which prohibits him or her from having any interest in any business that derives more than 50% of its revenues from the sale of ready-to-eat frozen dessert, coffee products or ice products that is located anywhere in the United States while they work for you, or that is located within your territory or within the county of your BAHAMA BUCK'S Store for two years after they no longer work for you. The Confidentiality and Noncompetition Agreement is attached to this Disclosure Document as Exhibit 3 to the Franchise Agreement.

The retail business may be supervised on a day-to-day basis by a retail business manager. You are responsible for training your manager.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You will be authorized to operate as "BAHAMA BUCK'S" or "BAHAMA BUCK'S ORIGINAL SHAVED ICE COMPANY." You may use only the BAHAMA BUCK'S trademarks, and only operate a dessert and refreshment business. You may not conduct or advertise any other business under the trademarks licensed to you by Bahama Buck's or the telephone numbers associated with your business.

Goods and Services

You must offer and sell only those gourmet shaved ice products, island specialties, coffee products, frozen dessert confections and select items with the BAHAMA BUCK'S logo goods and services that we have authorized. You must offer all goods and services that we

designate as required in the Manuals. Bahama Buck's has the right to add products or services at any time. You will have a reasonable period of time, which will not exceed 60 days, to begin offering the additional products.

Location

You may conduct your business only from a single approved location. You cannot sell products outside of your single location unless you execute a Mobile/Satellite Sales Agreement to sell products from an approved truck, trailer, cart or other mobile equipment. The form of Mobile/Satellite Sales Amendment is attached to this Disclosure Document as Exhibit 4 to the Franchise Agreement. However, there are no restrictions on the customers with whom you, Bahama Buck's, or any other franchisee may do business. You may also solicit customers outside of your territory and other franchisees or Bahama Buck's retail business may solicit customers inside of your territory.

Operation

Unless otherwise approved by us, the business must be fully operational at least 60 hours a week throughout the year, on Mondays through Saturdays, except holidays. You may elect to be open on Sundays. Fully operational is currently defined as having all order points (i.e. drive-thru, interior service area, walk-up) open and available for guest use. If you have more than one order point, you may have one order point open earlier or later than the other order point. However, if less than all order points are open and available for guest use, it does not count toward the required 60 hours of full operation.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Agreement (Note 1)	Summary
a. Length of the Term of the franchise	11.1	10 years.
b. Renewal or extension of the term	11.2	An unlimited number of successive 10-year terms.
c. Requirements for you to renew or extend	11.2	You must be in good standing, pay a renewal fee of $7,500, give 2-6 months' notice, upgrade or conform to the current standards for BAHAMA BUCK'S businesses and sign a general release. If you wish to renew your franchise at the expiration of the initial term or any renewal term, you may be asked to sign a new franchise agreement that contains terms and

Provision	Section in Agreement (Note 1)	Summary
		conditions materially different from those in your original or previous franchise agreement, except that the initial fee will be waived.
d. Termination by you	13.2	If we are in default and you are in good standing, you may terminate after giving us notice and 60 days (or longer in some cases) to cure our default.
e. Termination by Bahama Buck's without cause		Bahama Buck's cannot terminate without cause.
f. Termination by Bahama Buck's with "cause"	13.3	Subject to state law, Bahama Buck's can terminate immediately upon certain material defaults that cannot be cured, after 5 days' notice for non-payment, and after one month for any other material default that can be cured.
g. "Cause" defined – defaults which can be cured	13.3.1; MSA § 4.3	Subject to state law: non-payment; failure to pass sanitary or appearance standards, failure to open, failure to complete training, inability to operate the business to standards, failure to comply with federal state or local laws, failure to comply with mandatory procedures, any other breaches of the Franchise Agreement or other agreements with us or any future affiliate, unapproved transfers, failure to submit reports; failure to maintain licenses or insurance; activities that violate the Franchise Agreement terms, misuse of confidential information or BAHAMA BUCK'S trademarks; or conduct jeopardizing the reputation of the system. If you have a Multi-Store Addendum ("MSA"), Bahama Buck's may terminate the MSA for failure to meet the MSA development schedule with one month's notice. If you have a Mobile/Satellite Sales Amendment, Bahama Buck's may terminate the Mobile/Satellite Sales Amendment for your failure to comply with terms and conditions of the Mobile/Satellite Sales Amendment in addition to the acts of default listed in this section (g) and section (h) below. We may suspend our obligations to you until you cure the default.
h. "Cause" defined – defaults which cannot be cured	13.3.1	Subject to applicable law: misrepresentation, abandonment, insolvency, bankruptcy, assignment for the benefit of creditors, 3 breaches in any 12 month period, 5 customer complaints within three months, criminal acts.
i. Your obligations on termination/ nonrenewal	13.5; 13.6	Pay money owed to Bahama Buck's; cease use of trademarks; assign telephone numbers; return Manuals, forms, and trademarked and confidential materials; cancel assumed name; non-competition; certain FA obligations continue. Bahama Buck's will have an option to acquire your

Provision	Section in Agreement (Note 1)	Summary
		assets and assume your leases (if Bahama Buck's does not, you must de-identify your store). (See o below.)
j. Assignment of contract by Bahama Buck's	12.1	Bahama Buck's may assign to any person or entity.
k. "Transfer" by you – definition	12.3, 12.6.2	Any transfer or pledge of the Franchise Agreement or substantially all your business assets, or an ownership change of more than 10% of the current ownership.
l. Bahama Buck's approval of your transfer	12.3, 12.5, 12.6	Transfer to a legal entity you control pre-approved subject to certain conditions; approval of other transfers cannot be unreasonably withheld.
m. Conditions for Bahama Buck's approval of transfer	12.3	The new franchisee must be qualified, successfully complete training, sign a new agreement, guaranty and confidentiality and noncompetition agreement, secure all permits, agree to specific remodeling; you must have complied with all applicable laws, provided us with enough notice to disclose the prospect, indemnify us for any statements you made to the new franchise, obtain our commercially reasonable consent to your broker; obtain approval for any advertising using our trademarks, be in good standing, pay all amounts owed to Bahama Buck's, pay a transfer fee of $7,500, and sign a general release (also see n below).
n. Bahama Buck's right of first refusal to acquire your business	12.2	Bahama Buck's has 30 days to match any offer you receive.
o. Bahama Buck's option to purchase your business	13.5.5	Upon expiration or termination of your franchise, Bahama Buck's has an option to assume your lease, and to acquire your assets for their fair market value (determined by appraisal if the parties cannot agree) less setoffs for amounts owed to Bahama Buck's.
p. Your death or disability	12.4	Subject to acceptable temporary operating conditions, your heirs have 120 days to transfer the business (subject to the conditions in m above).
q. Non-competition covenants during the term of the franchise	10.1, 10.5, 10.6	Subject to state law, no involvement with any business in the United States that derives more than 50% of its revenues from the sale of ready-to-eat frozen dessert, coffee products or ice products; no unauthorized use of confidential information.

Provision	Section in Agreement (Note 1)	Summary
r. Non-competition covenants after the franchise is terminated or expires	10.1, 10.5, 10.6	Subject to state law, no involvement with any business that derives more than 50% of its revenues from the sale of ready-to-eat frozen dessert, coffee products or ice products and that is located in your territory or in the county where your store was located for 2 years; and no use of confidential information for the greater of four years or the time that the information is a trade secret.
s. Modification of the Agreement	10.3, 10.5.2, 15.4.2	Automatic conformance to state law; Bahama Buck's may unilaterally change the system to adapt to the market which includes the right to revise Manuals, change its marks, change its products and services, reduce the scope of non-competition covenants and charge new fees for such changes.
T. Integration/ merger clause	15.4.1; Exhibit 3 §§ 10 and 12	Only the terms of the Franchise Agreement (including system standards in the Manual) are binding (subject to state law). Any statements or promises not in the Franchise Agreement or this disclosure document should not be relied upon and may not be enforceable.
u. Dispute resolution by arbitration or mediation	14.4	Mandatory binding arbitration except for injunctive relief.
v. Choice of forum	14.4.1	Arbitration must be held in the county of our principal place of business, currently Lubbock County, Texas; Bahama Buck's may seek injunctive relief anywhere. (subject to state law, see Exhibit B)
w. Choice of law	14.1.1	Federal and Texas law apply. (subject to state law, see Exhibit B)
x. Waivers	14.5	Mutual waiver of jury trials, class actions and punitive damages.
y. Remodeling	3.8	We can require you to remodel your store one time between the 5th and 10th years of the franchise agreement to conform to our then current standards. The cost to remodel cannot be estimated and may be substantial.

Note:

1. The Franchise Agreement is attached as Exhibit C to this Disclosure Document. The more detailed provisions of your Franchise Agreement on each of these subjects determine each party's rights and obligations. Unless otherwise noted, section references are to the Franchise Agreement. The Multi-Store Addendum is attached as Exhibit D to this Disclosure Document.

ITEM 18
PUBLIC FIGURES

Bahama Buck's does not use any public figure to promote its franchises.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

You should conduct an independent investigation of the costs and expenses you will incur in operating your BAHAMA BUCK'S business. Franchisees, as listed in Exhibits F and G may be one source of information. Your accountant can help you develop your own estimated costs and expenses.

Bahama Buck's represents that the information presented in this section is accurate and complete and has been prepared in accordance with generally accepted accounting principles, but it has not been audited by Bahama Buck's or an independent accounting firm. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Franchisee Sales

The first chart lists the high, average and low dollar amounts of actual sales based on historical data for the twelve month period that ended on December 31, 2024 for franchised locations that were open at least one year and provided us with information. We have also elected to include five locations that were open a portion of the year.

Type of Franchised Locations	No. of Franchised Locations As of December 31, 2024
Open and operating	112
Open at least one year	103
Included in the below chart (103 open one year and submitting information and 10 open <12 months submitting information)	103

Category	Franchisee Owned Franchised Stores SALES HISTORY CHART – 2024				
	Stores in Top 10%	Stores in Top 25%	Stores in Top 50%	Stores in Top 75%	All Stores
High Unit Sales Volume (Note 1)	$878,412	$878,412	$878,412	$878,412	$878,412
Mean (Average) Unit Sales Volume (Note 1)	$861,949	$731,740	$634,975	$603,540	$525,868
Median Unit Sales Volume (Note 1)	$803,742	$737,014	$662,295	$598,418	$534,085
Low Unit Sales Volume (Note 1)	$760,370	$635,834	$525,868	$406,990	$173,058
Number of Stores Above Average	3	13	21	39	49
Number of Stores Below Average	7	13	31	39	54
Total Number of Stores (Note 2)	10	26	52	78	103

Notes:

1. The chart is based on actual sales. The Sales are calculated as the total of iced beverage, frozen desserts, and miscellaneous sales, and are shown as net of sales tax. The "High Unit Sales Volume" is the sales volume for the one store with the highest sales volume in each category. This may be the same store location in each category. The "Low Unit Sales Volume" is the sales volume for the one store with the lowest sales volume in each category. The "Mean (Average) Unit Sales Volume" is based on the identified total number of stores in the chart. For example, if the store data was 13, 13, 14, 19 and 26, then the mean is 17 which is calculated as 13+13+14+19+26 = 85 and 85 divided by 5 is 17. The "Median Unit Sales Volume" is the sales volume of the unit that is in the middle of all the stores in that category as if all the stores were listed in numerical order. If the store data was 13, 13, 14, 19 and 26, then the Median would be 14 because there are two numbers below 14 and two numbers above 14.

2. The franchised locations used in the Sales History Chart are:

AZ1101	Tempe, AZ	TX1104	Lubbock, TX	TX1277	Dallas, TX
AZ1104	Mesa, AZ	TX1105	Lubbock, TX	TX1278	Tyler, TX
AZ1109	Mesa, AZ	TX1200	Odessa, TX	TX1283	Cypress, TX
AZ1111	Mesa, AZ	TX1202	Midland, TX	TX1284	Humble, TX
AZ1112	Mesa, AZ	TX1205	Lubbock, TX	TX1285	Spring, TX
AZ1113	Gilbert, AZ	TX1207	Rowlett, TX	TX1295	Fort Worth, TX
AZ1114	Chandler, AZ	TX1208	Wichita Falls, TX	TX1297	Universal City, TX
AZ1115	Gilbert, AZ	TX1211	Sachse, TX	TX1299	Sugar Land, TX
AZ1116	Queen Creek, AZ	TX1212	Amarillo, TX	TX1303	Austin, TX
AZ1117	Laveen, AZ	TX1214	Amarillo, TX	TX1305	San Antonio, TX
AZ1118	Tucson, AZ	TX1215	Texas City, TX	TX1307	New Braunfels, TX
AZ1122	Phoenix, AZ	TX1216	Rockwall, TX	TX1312	Corpus Christi, TX
AZ1137	Phoenix, AZ	TX1219	Lewisville, TX	TX1316	Huntsville, TX
AZ1138	Maricopa, AZ	TX1224	El Paso, TX	TX1318	Montgomery, TX
CA1203	Redlands, CA	TX1230	San Antonio, TX	TX1323	El Paso, TX
CO1205	Centennial, CO	TX1231	McKinney, TX	TX1326	Clute, TX

CO1207	Westminster, CO
FL1205	Odessa, FL
FL1209	Jupiter, FL
FL1215	Kissimmee, FL
FL1218	Orlando, FL
FL1223	Trinity, FL
FL1229	Brandon, FL
LA1207	Lake Charles, LA
MO1201	St. Peters, MO
NM1201	Clovis, NM
NM1202	Albuquerque, NM
NM1203	Albuquerque, NM
NM1204	Albuquerque, NM
NM1206	Roswell, NM
NV1203	North Las Vegas, NV
OK1200	Moore, OK
OK1201	Edmond, OK
PR1200	Bayamon, PR
TX1103	Lubbock, TX

TX1232	Fort Worth, TX
TX1234	Allen, TX
TX1236	College Station, TX
TX1237	College Station, TX
TX1239	Cypress, TX
TX1240	Mansfield, TX
TX1242	Leander, TX
TX1243	Double Oak, TX
TX1244	Hudson Oaks, TX
TX1246	El Paso, TX
TX1249	San Antonio, TX
TX1250	Burleson, TX
TX1251	Round Rock, TX
TX1256	Harker Heights, TX
TX1257	Houston, TX
TX1259	Katy, TX
TX1265	Houston, TX
TX1273	League City, TX
TX1276	Magnolia, TX

TX1336	Sunnyvale, TX
TX1337	Arlington, TX
TX1339	Abilene, TX
TX1340	San Angelo, TX
TX1347	El Paso, TX
TX1348	Temple, TX
TX1349	Odessa, TX
TX1353	Bee Cave, TX
TX1356	Buda, TX
TX1358	Waxahachie, TX
TX1359	Frisco, TX
TX1362	Grand Prairie, TX
TX1367	Richmond, TX
UT1200	Draper, UT
UT1202	Provo, UT
UT1206	North Salt Lake, UT
UT1208	Saint George, UT

Corporate/Affiliate Sales

For the next chart, we have only included information from our three company-owned stores in Lubbock, Texas, which were open all of 2024. The chart is based on historical data concerning the company-owned outlets.

Company Owned Stores SALES HISTORY CHART 2024 (Note 1)	
Category	**All Stores**
High Unit Sales Volume (Note2)	$614,127.70
Average Unit Sales Volume (Note 2)	$544,614.04
Median Unit Sales Volume (Note 2)	$556,946.00
Low Unit Sales Volume (Note 2)	$462,768.43
Number of Corporate Stores Above Average	2
Number of Corporate Stores Below Average	1
Total Number of Stores (Note 1)	3

Notes:

1. There are a total of three corporate locations as of December 31, 2024. The three corporate locations that are included in the Sales History Chart above are:

TX1103	Lubbock, TX
TX1104	Lubbock, TX
TX1105	Lubbock, TX

2. Sales are calculated as the total of iced beverage, frozen desserts and miscellaneous sales, and are shown as net of sales tax. The "High Unit Sales Volume" is the sales volume for the one store with the highest sales volume in each category. This may be the same store location in each category. The "Low Unit Sales Volume" is the sales volume for the one store with the lowest sales volume in each category. The "Mean (Average) Unit Sales Volume" is based on the identified total number of stores in the chart. For example, if the store data was 13, 13, 14, 19 and 26, then the mean is 17 calculated as 13+13+14+19+26 = 85 and 85 divided by 5 is 17. The "Median Unit Sales Volume" is the sales volume of the unit that is in the middle of all the stores in that category as if all the stores were listed. If the store data was 13, 13, 14, 19 and 26, then the Median would be 14 because there are two numbers below 14 and two numbers above 14.

Corporate/Affiliate Adjusted Costs and EBITDA

The next chart provides the average net sales and percentage of sales for two out of three company owned locations. Costs of Goods Sold and certain Expenses have been adjusted for anticipated differences between franchisee operations and company operations, as further described in the Notes below.

Company Owned Locations (3 units) Average Net Sales, Adjusted Costs and EBITDA as a percentage of Net Sales As of December 31, 2024				
Both Regions	**Average Amounts**	**% of Net Sales**	**% of Stores Above Average**	**No. of Stores Above Average**
Net Sales (Note 1)	$544,614.04	100%	67%	2
Cost of Goods Sold (Note 2)	$158,257.45	29.06%	67%	2
Adjustments to Cost of Goods Sold (Note 3)				
Add: Estimated Additional Shipping Charges	$5,446.14	1.00%	100%	0
Adjusted Cost of Goods Sold	$163,703.59	30.06%	67%	2
Expenses (Note 4)	$293,304.22	53.86%	67%	2
Other Expense Adjustments (Note 5)				
Royalty fees	$32,676.84	6.00%	100%	
Accounting expenses	$2,723.07	.05%	100%	
Adjusted Total Expenses	$328,704.13	60.36%	67%	2
Average Net Profit (EBITDA)	$52,206.32	9.59%	33%	1

Notes:

1. Sales data from franchisees as compared to corporate sales:
   - Average Corporate Net Sales $544,614.04 (45 franchisees out of 103 or 46.60% were at or above this figure)
   - Median Corporate Net Sales $$556,946.00 (43 franchisees out of 103 or 41.75% were at or above this figure)

2. Costs of Good Sold includes paper disposable costs, cleaning supplies, employee incentives, and other miscellaneous costs which some franchisees might choose to expense.

3. Franchisees will not receive the benefit of purchase rebates and have delivery fees that the corporate locations do not pay.

4. The categories of expenses included in the net income calculation are: advertising, bank service charges, credit card fees, donations, music subscriptions, employee expenses, rent expense, licenses, payroll including 3 store managers (excluding area manager), repair/maintenance, office supplies, property taxes, equipment costs and utilities. Interest expense is not included.

5. The expenses are adjusted to add in additional expenses that company stores do not have but which franchisees would typically incur. Franchisees have to pay royalty fees and advertising fund fees. Corporate locations currently participate with a 2% allocation toward the advertising fund. Corporate Average Net Profit is the 6% royalty fee plus the Average Net Profit and equals 28.04%. Franchisees will have accounting expenses that Corporate locations split among affiliated entities. These expenses can range from a low end of $500 to a high end of $3,000. The average accounting expenses are shown above. The Corporate locations operate with three part-time managers whose salaries are included in the expenses stated above. Franchisees are not required to place a salaried manager in position; they are provided guidance on how to utilize part-time labor through whom they have the option to equip, empower, and enable to handle a distribution of the management responsibilities. The above expenses also do not include the salary costs for an area manager as that role is only recommended once there are three stores in a region and is often filled by the franchisee.

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet.

If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Eric Lee, 5741 50th Street**,** Lubbock, Texas 79424, 806-771-2189, the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1
SYSTEM WIDE OUTLET SUMMARY FOR
Years 2022 to 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	104	109	+5
	2023	109	112	+3
	2024	112	112	0
Company-Owned	2022	3	3	0
	2023	3	3	0
	2024	3	3	0
Total Outlets	2022	107	112	+5
	2023	112	115	+3
	2024	115	115	0

TABLE NO 2

TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN FRANCHISOR OR AN AFFILIATE) FOR YEARS 2022 to 2024

State	Year	Number of Transfers
AL	2022	0
	2023	0
	2024	0
AZ	2022	0
	2023	1
	2024	7
CA	2022	0
	2023	0
	2024	1
CO	2022	0
	2023	0
	2024	0

State	Year	Number of Transfers
FL	2022	0
	2023	2
	2024	0
GA	2022	0
	2023	0
	2024	0
KY	2022	0
	2023	0
	2024	0
LA	2022	1
	2023	0
	2024	0
MO	2022	0
	2023	0
	2024	0
NM	2022	1
	2023	0
	2024	0
NV	2022	0
	2023	0
	2024	0
OK	2022	0
	2023	0
	2024	0
PR	2022	0
	2023	0

State	Year	Number of Transfers
	2024	0
TX	2022	4
	2023	12
	2024	5
UT	2022	0
	2023	1
	2024	0
Total Transfers	2022	6
	2023	16
	2024	13

Note:

1. All numbers are as of December 31st for each year.

TABLE NO. 3
STATUS OF FRANCHISED OUTLETS FOR YEARS 2022 to 2024

State	Year	Outlets at Start of Year	Outlets Opened	Ceased Operations – Terminations	Ceased Operations – Non Renewals	Ceased Operations – Other Reasons	Reacquired by Franchisor	Outlets at End of Year
AL	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
AZ	2022	14	0	0	0	0	0	14
	2023	14	0	0	0	0	0	14
	2024	14	1	0	0	0	0	15
CA	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
CO	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
FL	2022	7	0	0	0	0	0	7
	2023	7	1	1	0	0	0	7
	2024	7	0	0	0	1	0	6
GA	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Ceased Operations – Terminations	Ceased Operations – Non Renewals	Ceased Operations – Other Reasons	Reacquired by Franchisor	Outlets at End of Year
	2024	0	0	0	0	0	0	0
KY	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
LA	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
MO	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2
NM	2022	4	1	0	0	0	0	5
	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
NV	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
OK	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
PR	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
TN	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	1	0	0	0	0	2
TX	2022	66	7	3	0	0	0	70
	2023	70	3	2	0	0	0	71
	2024	71	1	0	0	1	0	69
UT	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
Totals	2022	104	8	3	0	0	0	109
	2023	109	7	3	0	0	0	112
	2024	112	4	0	0	4	0	112

Note:

1. All numbers are as of December 31st for each year.

A list of the names of all franchisees and the addresses and telephone numbers of their businesses are provided in Exhibit F of this Disclosure Document.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee who had business terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document are listed on Exhibit G to 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, we have had one franchisee sign confidentiality provisions that would restrict their ability to speak openly about their experience with the franchise system.

There are no trademark-specific organizations associated with the franchise system being offered in this FDD.

TABLE NO. 4
STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS 2022-2024 (Notes 1 and 2)

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
TX	2022	3	0	0	0	0	3
	2023	3	0	0	0	0	3
	2024	3	0	0	0	0	3
Totals	2022	3	0	0	0	0	3
	2023	3	0	0	0	0	3
	2024	3	0	0	0	0	3

Notes:

1. All numbers are as of December 31st for each year.

2. If you are purchasing a company location that was previously a franchise location, we will provide you with former franchisee's contact information, the time period that the franchisee controlled the location, the reason for the ownership change and the length of time that we controlled the location.

TABLE NO. 5
PROJECTED OPENINGS
AS OF DECEMBER 31, 2024

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
AL	0	0	0
AZ	15	0	0
AR	0	0	0
CA	5	0	0
CO	2	0	0
FL	18	0	0
GA	2	0	0
IN	0	0	0
KS	1	0	0
LA	1	0	0
MD	1	0	0
MO	0	0	0
MS	1	0	0
NC	1	0	0
NM	5	0	0
NV	4	0	0
OK	3	0	0
PR	0	0	0
TN	2	0	0

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
TX	45	0	0
UT	6	0	0
Total	112	0	0

Note:

1. All numbers are as of December 31st of each year.
2. If you are purchasing a company location that was previously a franchise location, we will provide you with former franchisee's contact information, the time period that the franchisee controlled the location, the reason for the ownership change and the length of time that we controlled the location.

A list of the names of all franchisees and the addresses and telephone numbers of their businesses are provided in Exhibit F of this Disclosure Document.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee who had business terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document are listed on Exhibit G to 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, we have had one franchisee sign confidentiality provisions that would restrict their ability to speak openly about their experience with the franchise system. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with Bahama Buck's Franchise Corporation. Therefore, you may wish to speak with current and former franchisees but be aware that not all of those franchisees will be able to communicate with you.

There are no trademark-specific organizations associated with the franchise system being offered in this FDD.

ITEM 21
FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit H, are our audited financial statements for the fiscal years ending December 31, 2024, December 31, 2023, and December 31, 2022 and Interim Financial Statements for the twelve months ending December 31, 2025.

ITEM 22
CONTRACTS

Attached as Exhibits to this Disclosure Document are copies of the following agreements relating to the offer of the franchise:

Exhibit C - Bahama Buck's Franchise Agreement and its Exhibits:
- 1 - Terms
- 2 - Guaranty
- 3 - Confidentiality Agreement and Noncompetition Agreement

4 - Mobile/Satellite Sales Amendment
5 - Electronic Funds Transfer Authorization
6 - Ohio Notice of Cancellation
7 - Development Extension Amendment
8 - State Law Addendum

Exhibit D - Multi-Store Amendment
Exhibit I - Receipt for Completed Documents
Exhibit J - Confirmation of Sales Procedures

ITEM 23
RECEIPTS

The last two pages contain detachable documents acknowledging your receipt of this disclosure document.

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EXHIBIT A
STATE AGENCIES EXHIBIT

California	California Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 W. 4th Street, Suite 750 Los Angeles, California 90013-2344 866/275-2677 651 Bannon Street Sacramento, California 95811 916/327-7585 1455 Frazee Road, Suite 315 San Diego, California 92108 866/275-2677 One Sansome Street, #600 San Francisco, California 94104-4428 866/275-2677
Connecticut	Connecticut Department of Banking Securities and Business Investment Division 260 Constitution Plaza Hartford, Connecticut 06103-1800 860/240-8295
Florida	Department of Agriculture and Consumer Services Division of Consumer Services 2005 Apalachee Parkway Tallahassee, Florida 32399-6500 800/424-7352
Hawaii	Hawaii Commissioner of Securities State of Hawaii Department of Consumer Affairs Business Registration Division – Securities Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 808/586-2722
Illinois	Illinois Attorney General, Franchise Division 500 South Second Street Springfield, Illinois 62701 217/782-4465 or 217/782-4462
Indiana	Indiana Secretary of State 302 West Washington Street, Room E-111 Indianapolis, Indiana 46204 317/232-6681

Iowa	Iowa Securities Bureau 340 E. Maple Street Des Moines, Iowa 50319-0066 515/281-4441
Maryland	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202 410/576-7786
Michigan	Attn: Franchise Consumer Protection 525 West Ottawa Street G. Mennen Williams Building, 5th Floor Lansing, Michigan 48913 517/335-7567
Minnesota	Minnesota Department of Commerce Securities Section 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 651/539-1600
Nebraska	Nebraska Department of Banking and Finance Bureau of Securities/Financial Institutions Division 1526 K Street, Suite 300 Lincoln, Nebraska 68508-2732 P.O. Box 95006 Lincoln, Nebraska 68509-5006 402/471-2171
New York	NYS Department of Law Investor Protection Bureau 28 Liberty St. 21st Floor New York, New York 10005 212/416-8236
North Dakota	North Dakota Insurance and Securities Department 600 East Boulevard Avenue. Dept. 410 Bismarck, North Dakota 58505 701/328-2910
Oregon	Department of Consumer and Business Services 350 Winter Street NE, Suite 410 P.O. Box 14480 Labor and Industries Building Salem, Oregon 97509 503/378-4100

Rhode Island	Rhode Island-DBR-Securities Division 1511 Pontiac Avenue - Building 69-1 Cranston, Rhode Island 02920 401/602-3646
South Dakota	Department of Labor and Regulation Division of Securities 124 S. Euclid, Second Floor Pierre, South Dakota 57501 605/773-3563
Texas	Secretary of State James Earl Rudder Office Building 1019 Brazos Street [Zip 78701] P. O. Box 13193 Austin, Texas 78711-3193 512/475-0775
Utah	Division of Consumer Protection State of Utah Department of Commerce P.O. Box 146704 Salt Lake City, Utah 84114-6704 801/530-6601
Virginia	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 804/371-9051
Washington	Department of Financial Institutions P. O. Box 41200 Olympia, Washington 98504-1200 360/902-8760
Wisconsin	Division of Securities State of Wisconsin Department of Financial Institutions 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 608/266-0448

EXHIBIT B

STATE LAW ADDENDUM

IN CERTAIN STATES FRANCHISEES ARE PROTECTED BY SPECIFIC LAWS. THESE STATE LAWS ARE REFERENCED AND SUMMARIZED IN THIS EXHIBIT. IF THE LAWS OF A PARTICULAR STATE GOVERN YOUR FRANCHISE, ITS STATUTES AND REGULATIONS AUTOMATICALLY APPLY TO YOUR FRANCHISE, AND AMEND BOTH YOUR AGREEMENTS WITH THE FRANCHISOR AND THIS DISCLOSURE DOCUMENT INCLUDING THE DOCUMENTS WHICH ARE ATTACHED AS EXHIBITS TO THIS DISCLOSURE DOCUMENT, INCLUDING ANY CONFIRMATION OF SALES PROCEDURES), UNLESS A PARTICULAR STATE LAW IS UNENFORCEABLE BECAUSE IT CONFLICTS WITH FEDERAL LAW AND IS PREEMPTED.

CALIFORNIA

Franchise Investment Law, CAL. CORP. CODE §§ 31000-31516.
Franchise Relations Act, CAL. BUS. & PROF. CODE §§ 20000-20043.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT.

Cover Page Risk Factor

THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION REQUIRES US TO DEFER PAYMENT OF THE INITIAL FRANCHISE FEE AND OTHER INITIAL PAYMENTS OWED BY FRANCHISEES TO THE FRANCHISOR UNTIL THE FRANCHISOR HAS COMPLETED ITS PRE-OPENING OBLIGATIONS UNDER THE FRANCHISE AGREEMENT.

Litigation Disclosure

a. The franchisor, any person or franchise broker in Item 2 of the FDD is not subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

Termination and Nonrenewal

b. California Business and Professions Code 20000 through 20043 provide rights to you concerning termination, transfer or nonrenewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

Bankruptcy Disclosure

c. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law. (11 U.S.C.A. Sec. 101 et seq.).

Covenants Not to Compete

d. The franchise agreement contains a covenant not to compete, which extends beyond the termination of the franchise. A contract that restrains a former franchisee from engaging in lawful trade or business is to that extent void under California Business and Professions Code Section 16600.

Liquidated Damages

e. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

Arbitration

f. The franchise agreement requires binding arbitration. The arbitration will occur at Lubbock County, Texas, with the costs to be borne by the losing party. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

Choice of Law and Forum

g. For franchisees operating outlets located in California, the California Franchise Investment Law and the California Franchise Relations Act will apply regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the Franchise Agreement or any amendment thereto or any agreement to the contrary is superseded by this condition.

Modification of Existing Franchise

h. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

Waivers and Releases

i. You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 Voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

j. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of 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.

Financial Performance Representations

k. The earnings claims figure(s) does (do) not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchise business. Franchisees or former franchisees, listed in the offering circular, may be one source of this information.

Exemption for Internet Advertisement

l. The California Franchise Investment Law provides that internet advertisements may be exempt from the requirements of Corp. Code § 31156 for filing advertisements with the Commissioner, provided that the franchisor meets all of the requirements under Corp. Code § 310156.3.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

Interest Rate

m. The California Franchise Investment Law provides that the highest interest rate permitted by law is 10%.

The registration of this franchise offering by the California Department of Financial Protection and Innovation and does not constitute approval, recommendation or endorsement by the commissioner.

HAWAII

Franchise Investment Law, HAW. REV. STAT. §§ 482E-1 to –12.
Franchise Rights and Prohibitions, HAW. REV. STAT. § 482E-6.

Cover Page Risk Factor

THE HAWAII DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS REQUIRES US TO DEFER PAYMENT OF THE INITIAL FRANCHISE FEE AND OTHER INITIAL PAYMENTS OWED BY FRANCHISEES TO THE FRANCHISOR UNTIL THE FRANCHISOR HAS COMPLETED ITS PRE-OPENING OBLIGATIONS UNDER THE FRANCHISE AGREEMENT.

Waivers and Releases

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of 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.

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STA TE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACTOR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

ILLINOIS

Illinois Franchise Disclosure Act (815 ILCS 705/1 et seq.)

This addendum to the Disclosure Document and Multi-Store Amendment is agreed to this _____ and effectively amends and revises said Disclosure Document and Franchise as follows:

Illinois law governs the Franchise Agreement and Multi-Store Amendment.

Payment of the initial franchise fee/development fees will be deferred until the Franchisor has met its initial obligations to the franchisee and the franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to the Franchisor's financial condition.

In conformance with Section 4 of the Illinois Disclosure Act, any provision in a Franchise Agreement that designates jurisdiction or venue in a forum outside of Illinois is void. However, a Franchise Agreement may provide for arbitration 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 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.

Bahama Buck's may enter into agreements for special or national accounts. You will be given the option of providing the services at the locations within your Territory if the agreement permits. If you do not elect to do so upon the terms Bahama Buck's has contracted for, then Bahama Buck's or someone else it selectsmay do so without any payment to you.

INDIANA

Franchises, IND. CODE tit. 23, art. 2, ch. 2.5, §§ 1-51.
Deceptive Franchise Practices, IND. CODE tit. 23, art. 2, ch. 2.7, §§ 1-7.

Choice of Law and Forum

A franchise agreement requiring resolution of disputes in a forum other than Indiana is not enforceable. CODE § 23-2-2.7-1(10). Additionally, a franchise agreement requiring application of the laws of a jurisdiction other than Indiana is subject to any superseding provisions in Sections 23-2-2.5 and 23-2-2.7 of the Code. The risk factor statements on the Disclosure Document cover page indicating that disputes must be resolved in a state other than Indiana, and that the laws of a state other than Indiana apply, do not apply in Indiana.

Covenants Not To Compete

A franchisor cannot require a franchisee to covenant not to compete with the franchisor for more than three years after the termination or nonrenewal of a franchise, or in an area greater than the franchisee's exclusive area, or if the franchisee has no exclusive area, in more than a reasonable area. CODE § 23-2-2.7-1(9). Under Indiana law, a franchisee may not be liable for violations of covenants against competition by third parties.

Indemnification

To the extent required by Indiana law, a franchisee need not provide any indemnification for liability caused by the franchisee's proper reliance on or use of procedures or material provided by the franchisor or by the franchisor's negligence.

Periods of Limitation

Under Code § 23-2-2.5-30, an action must be brought within three years after the franchisee's discovery of the facts of a violation and, under Code § 23-2-2.7-7, within two years after the date of a violation.

Territories

A franchisor may not establish a franchisor-owned outlet engaged in a substantially identical business to that of the franchisee within the exclusive territory granted to the franchisee by the franchise agreement; or, if no exclusive territory is designated, the

franchisor may not compete unfairly with the franchisee within a reasonable area. CODE §§ 23-2-2.7-1(2) and 23-2-2.7-2(4).

Waivers and Releases

Code § 23-2-2.7-1(10) prohibits any limitation on litigation for breach of a franchise agreement, such as a reservation of rights to injunctive relief, liquidated damages or any other limitation on damages or remedies. A franchisee may not be required to recognize irreparable harm. Indiana law prohibits requiring a franchisee to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to release any person from liability imposed by Indiana franchise laws.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of 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.

MARYLAND

Franchise Registration and Disclosure Law, MD. CODE ANN., BUS. REG. §§ 14-201 to -233.
Fair Distributorship Act, MD. CODE ANN., COM. LAW II §§ 11-1301 to -1307.

Cover Page Risk Factor

ALL FEES PAID TO FRANCHISOR BY FRANCHISEE, INCLUDING THE INITIAL FRANCHISEE FEE AND INCLUDING PAMENTS FOR GOODS AND SERVICES RECEIVED FROM FRANCHISOR BEFORE THE BUSINESS OPENS ARE DEFERRED PENDING SATISFACTION OF ALL OF THE FRANCHISOR'S MATERIAL PRE-OPENING OBLIGATIONS TO THE FRANCHISSEE.

plChoice of Law and Forum

Section 14-216(c)(25) of the Maryland Franchise Law requires a franchisor to file an irrevocable consent to be sued in Maryland. A franchisee may sue in Maryland for claims arising under that Law.

Periods of Limitation

Under Section 14-227(e) of the Maryland Franchise Law, a franchisee may bring a lawsuit in Maryland for claims arising under that Law for a period of three years after a franchise is granted.

Waivers and Releases

Section 14-226 of the Maryland Franchise Law and Section 02.02.08.16L of the Code of Maryland Regulations prohibit a franchisor from requiring a prospective franchisee to assent to any release, estoppel or waiver of liability as a condition of purchasing, renewing

or assigning a franchise. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure law. When prospective franchisees disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Maryland Law when purchasing a franchise, such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Law. Any general release required as a condition of renewal, sale, transfer or assignment shall not apply to any liability under the Law.

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.

MICHIGAN

Franchise Investment Law, MICH. COMP. LAWS §§ 445.1501 to .1546.

Arbitration

Any provision requiring that arbitration or litigation be conducted outside of Michigan is void and unenforceable. A franchisee may enter into an agreement, at the time of arbitration, to conduct arbitration at a location outside of Michigan. LAWS § 445.1527(f).

Covenants Not To Compete

LAWS §§ 445.771 *et seq*.

Franchisee Associations

Provisions prohibiting franchisees from joining franchisee associations are void and unenforceable. LAWS § 445.1527(27)(a).

Relationship Laws

Any provision allowing a franchisor to terminate a franchise prior to the expiration of its term except for good cause is void and unenforceable. Good cause includes 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 and a reasonable opportunity, which need not be more than 30 days, to cure the failure. LAWS § 445.1527(27)(c).

Any provision that allows 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 is void and unenforceable. 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 provision of the law applies only if: (i) the term of the franchise is less than 5 years and

(ii) the franchisee is prohibited by an agreement from continuing to conduct substantially the same business under another trademark or name in the same area after the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of the franchisor's intent not to renew the franchise. LAWS § 445.1527(27)(d).

Any provision allowing the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances is void and unenforceable. A renewal provision is not required. LAWS § 445.1527(27)(e).

Any provision that allows the franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause, is void and unenforceable. Good cause includes: (i) the failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards, (ii) the fact that the proposed transferee is a competitor of the franchisor, (iii) the unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations, and (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. LAWS § 445.1527(27)(g).

Any provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor is void and unenforceable. The law does not prohibit provisions allowing a franchisor to exercise 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, or allowing a 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 Section 445.1527(27)(c) of the Law. LAWS § 445.1527(27)(h).

Any provision that permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee is void and unenforceable unless provision has been made for providing the required contractual services. LAWS § 445.1527(27)(i).

Waivers and Releases

A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives the franchisee of rights under the Law is void and unenforceable, but the settlement of disputes is not prohibited. LAWS § 445.1527(27)(b).

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of 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.

MINNESOTA

Franchises, MINN. STAT. §§ 80C.01 to .30.

Cover Page Risk Factor

DESPITE THE PAYMENT PROVISIONS NOTED IN THIS ITEM, ALL INITIAL FRANCHISE FEES AND PAYMENTS SHALL BE DEFERRED UNTIL AFTER ALL OF THE FRANCHISOR'S INITIAL OBLIGATIONS ARE COMPLETE AND FRANCHISEE IS OPEN FOR BUSINESS.

Choice of Law and Forum

Nothing in the franchise agreement shall in any way abrogate or reduce any rights of the franchisee as provided for in Chapter 80C of the Statutes. STATUTES § 80C.21 and MINN. R. 2860.4400J. A risk factor statement on the Disclosure Document cover page that a franchisee must litigate in a state other than Minnesota does not apply in Minnesota.

Liquidated Damages

Liquidated damage provisions are void. MINN. R. 2860.4400J.

Period of Limitation

An action for a violation of Chapter 80C of the Statutes may not be commenced more than three years after the cause of action accrues. STATUTES § 80C.17(5).

Relationship Laws

Except in certain specified cases, a franchisee must be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement. STATUTES § 80C.14(3)-(5).

Any termination penalty provision is void. MINN. R. 2860.4400J.

Trademarks

The Commissioner has determined that it is unfair for the franchisor not to protect the franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the name within the intent of Section 80C.12(1g) of the Minnesota Statutes.

Waivers and Releases

A franchisee cannot assent to a release, assignment, novation or waiver of liability imposed by Minnesota law, waive rights to a jury trial or to any procedure, forum, or

remedies provided by the laws of Minnesota, or consent to the franchisor obtaining injunctive relief, but the voluntary settlement of disputes is not prohibited. STATUTES § 80C.21 and MINN. R. 2860.4400D and .4400J.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of 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.

NEW YORK
Required by the Department of Law of the State of New York

Franchises, N.Y. GEN. BUS. LAW §§ 680-695.

The following information is added to the cover page of the Franchise Disclosure Document:

Cover Page

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

Litigation

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

Bankruptcy

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

Initial Fees

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

Renewal, Termination, Transfer and Dispute Resolutions

5. The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements for franchisee to renew or extend**," and Item 17(m), entitled "**Conditions for franchisor approval of transfer"**:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the "Summary" section of Item 17(d), titled **"Termination by franchisee"**:

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the "Summary" section of Item 17(j), titled "**Assignment of contract by franchisor"**:

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

8. The following is added to the end of the "Summary" sections of Item 17(v), titled "**Choice of forum"**, and Item 17(w), titled "**Choice of law"**:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

Waivers and Releases

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of 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.

NORTH DAKOTA

Franchise Investment Law, N.D. CENT. CODE §§ 51-19-01 to -17.

Arbitration

The Commissioner has determined that franchise agreements which provide that the parties agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business are unfair, unjust or inequitable within the intent of Section 51-19-09(i) of the Law.

Choice of Law and Forum

The Commissioner has determined that franchise agreements which provide that the parties agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business, or which require franchisees to consent to the jurisdiction of courts outside of North Dakota, or which specify that the parties are to be governed by the laws of a state other than North Dakota, are unfair, unjust or inequitable within the intent of Section 51-19-09(i) of the Law.

Covenants Not To Compete

N.D. CENT. CODE § 9-08-06. Covenants not to compete may not be enforceable in North Dakota. The Commissioner has determined that covenants restricting competition

contrary to Section 9-08-06 of the Law, without further disclosing that such covenants may be subject to this Law, are unfair, unjust, or inequitable within the intent of the Section 51-19-09(i) of the Law.

Liquidated Damages

The Commissioner has determined that liquidated damages provisions are unfair, unjust and inequitable within the intent of Section 51-19-09(i) of the Law.

Termination

The Commissioner has determined that provisions consenting to termination are unfair, unjust and inequitable within the intent of Section 51-19-09(i) of the Law.

Periods of Limitation

The Commissioner has determined that requiring a franchise to consent to limit its claims to those that are brought within a certain time frame is unfair, unjust and inequitable within the intent of Section 51-19-09(i) of the Law.

Waivers and Releases

The Commissioner has determined that requiring a franchisee to consent to a waiver of trial by jury, or to consent to a waiver of exemplary and/or punitive damages, is unfair, unjust and inequitable within the intent of Section 51-19-09(i) of the Law.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of 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.

RHODE ISLAND

Franchise Investment Act, R.I. GEN. LAWS §§ 19-28.1-1 to 19-28.1-34.

Choice of Law and Forum

A provision in a franchise agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Act. LAWS § 19-28.1-14.

Waivers and Releases

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of 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.

SOUTH DAKOTA

Franchise Investment, S.D. CODIFIED LAWS §§ 37-5B-1 to -53.

Arbitration

A written provision in a franchise contract evidencing a transaction involving commerce to settle by arbitration a controversy thereafter arising out of the contract or transaction, or the refusal to perform the whole or any part thereof, or an agreement in writing to submit to arbitration an existing controversy arising out of the contract, transaction, or refusal, is valid, irrevocable, and enforceable except upon such grounds as exist at law or in equity for the revocation of any contract. However, any condition, stipulation, or provision requiring a franchisee to waive compliance with or relieving a person of a duty or liability imposed by or a right provided by this chapter or a rule or order under this chapter is void. S.D. CODIFIED LAWS § 53-5B-21.

Liquidated Damages

Liquidated damage provisions are void. S.D. CODIFIED LAWS § 53-9-5.

Waivers and Releases

No person may, directly or indirectly, in connection with the offer or sale of a franchise disclaim or require a prospective franchisee to waive reliance on any representation made in the disclosure document or in its exhibits or amendments. However, this provision is not intended to prevent a prospective franchisee from voluntarily waiving specific contractual terms and conditions set forth in his or her disclosure document during the course of franchise sale negotiations S.D. CODIFIED LAWS § 53-5B-26(8).

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of 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.

VIRGINIA

Retail Franchising Act, VA. CODE ANN. §§ 13.1-557 to -574.

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owned by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

Relationship Laws

Any "cross-default" provision in a franchise agreement in which a default by a franchisee on one agreement will cause a default in any other agreements with the franchisor is not enforceable when applied to a franchisee in Virginia because Virginia law prohibits any provision that allows a franchisor to cancel a franchise without reasonable cause or to use

undue influence to induce a franchisee to surrender any right given to him by any provision in the franchise. § 13.1-564.

Waivers and Releases

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of 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.

WASHINGTON

Washington Franchise Investment Protection Act, Chapter 19.100 RCW

Relationship Laws

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail. RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

Arbitration

There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

Waivers and Releases

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of 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.

Periods of Limitation

Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer Fees

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Covenants Not To Compete

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

Non-Solicitation/No Poaching Provisions

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

Deferral of Initial Franchise Fees

In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the franchise agreement or offering circular, and (b) is open for business.

WISCONSIN

Franchise Investment Law, WIS. STAT. §§ 553.01 to .78.
Fair Dealership Law, WIS. STAT. §§ 135.01 to .07.

Relationship Laws

To the extent any provisions of the franchise agreement regarding notice of termination or a change in the franchise agreement conflict with Section 135.04 of the Wisconsin Fair Dealership Law, the Wisconsin law will apply.

Waivers and Releases

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of 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.

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[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF the parties have signed this State Law Addendum as of this ___ day of _____, 20___.

FRANCHISEE
[use for a corporation, partnership, limited liability company, trust, or other form of entity]:

_____
(Full Legal Name of Entity)

By: _____
(Signature)

_____
(Type or Print Name)

Its: _____
(Title)

FRANCHISEE
[use for a sole proprietorship or ownership by multiple individuals]:

_____
(Signature)

_____
(Type or Print Name)

_____
(Signature)

_____
(Type or Print Name)

FRANCHISOR:

By: _____
(Signature)

_____
(Type or Print Name)

Its:_____

BAHAMA BUCK'S FRANCHISE CORPORATION

FRANCHISE AGREEMENT

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This FRANCHISE AGREEMENT (the "**Agreement**") is made as of the date stated in Exhibit 1 to this Agreement ("**Effective Date**") by and between BAHAMA BUCK'S FRANCHISE CORPORATION, a Arizona corporation ("**Franchisor**" or "**Bahama Buck's**"), and the undersigned franchisee ("**Franchisee**") whose full name and address are set forth in Exhibit 1 to this Agreement.

To simplify the language in this Franchise Agreement, "Bahama Buck's," "we," "us" or "our" means Bahama Buck's Franchise Corporation, the Franchisor and any affiliates that provide services to you. "You" or "Your" means the Franchisee. If the Franchisee is a partnership, corporation or other legal entity, "you" includes the franchisee's officers, managers of a franchisee that is a manager-managed limited liability company, directors, owners, shareholders or partners individually.

1. GRANT OF FRANCHISE.

1.1 Recitals. We have developed and own a system for the manufacture, preparation and sale of gourmet shaved ice products, island specialties and frozen dessert confections prepared from proprietary recipes, that are served and sold in locations known as "**BAHAMA BUCK'S ORIGINAL SHAVED ICE COMPANY**" or "**BAHAMA BUCK'S**." You have applied to us for a license to operate a BAHAMA BUCK'S retail business.

1.2 Grant. Subject to the terms and conditions of this Agreement, we grant to you, and you accept, a franchise to operate a single BAHAMA BUCK'S ORIGINAL SHAVED ICE COMPANY retail business (the "**Franchise Business**") and a license to use the System, including the Marks, the Confidential Information, and the Manual (all as specified in Section 8).

1.3 Acknowledgement of Franchisee. You acknowledge that we have provided you with our Franchise Disclosure Document. and that neither we, nor anyone acting on our behalf, have made any claims or representations regarding potential sales, profits or earnings achievable by you in connection with the conduct of the Franchise Business. You acknowledge that you understand that the successful operation of the Franchise Business will depend solely upon your efforts, capabilities and management skills and general economic conditions and trends, and that you are not relying upon the Confidential Information set forth in the Franchise Disclosure Document as a representation or warranty of any results that will be achieved by you in connection with your operation of the Franchise Business. You acknowledge and confirm that you have selected or will select, the premises in which the Franchise Business will be established and operated by you, and that the decision to establish and operate the Franchise Business at those premises was, or will be, made solely by you, without any reliance upon any Confidential Information provided (if any), recommendations made or approval given by us or our shareholders, directors, officers, employees, representatives, agents or affiliates.

1.4 Temporary Reserved Area. You will locate a site for your Bahama Buck's store within the reserved area described and visually represented in Section 1.4 of Exhibit 1 (the "**Temporary Reserved Area**"). When you enter into a lease, the Temporary Reserved Area will terminate, and your Territory will then be only the area described in Section 1.5. We will hold the Temporary Reserved Area for you for a maximum period of six months from the Effective Date of this Agreement, and the Temporary Reserved Area will automatically terminate without any notice to you at the end of that six-month period, even if you have not yet entered into a lease for your Bahama Buck's store.

1.5 Territory and Restrictions on Franchisor Inside Territory. You shall open the Franchise Business at the site you have located within the Temporary Reserved Area. Your territory will be the geographic area with an approximate population of 25,000 to 50,000 people surrounding the site selected by you and as further shown by the visual representation of the protected area in Exhibit 1 of the Agreement (the "**Territory**"). You may advertise for customers inside and outside of the Territory. While this Agreement is in effect, we agree that we will not license any other BAHAMA BUCK'S retail business to be located in the Territory, or operate or license a competing business under a different name anywhere inside the Territory, except for National Accounts, as defined in Section 5.2. One or more future locations outside your Territory may have an effect on the revenues and profitability of existing Franchised Businesses, including your Franchised Business. See Section 5.1 for our retained rights outside of the Territory.

2. OPENING.

2.1 Pre-Opening Obligations. After the signing of this Agreement, and before the opening of the Franchise Business, you shall (i) prepare a business plan that we will review and give general comments on; (ii) obtain any needed financing subject to your maximum borrowing commitment in Section 9.11; (iii) if you are an individual, form a partnership, limited liability company or corporation in compliance with your state's laws which will operate the Franchise Business; (iv) have $10,000 available to be used solely for working capital expenses after the Franchise Business opens either on a bank line of credit, a credit card limit or on deposit in a separate bank account in your name; (v) obtain a site for, construct, equip, furnish and stock the Franchise Business, all as provided in Section 3; (vi) satisfactorily complete the initial training program as required by Section 8.5; (vii) recruit, select and train employees in compliance with the procedures set forth in the Manual; and (viii) develop a grand opening plan which must be submitted to us at least 55 days before opening and be approved by us, including the expenditure by you of at least $3,000 for the grand opening and related promotional materials.

2.2 Opening Schedule. Within twelve months following the Effective Date, you shall construct, equip, furnish, stock and open the Franchise Business to the public in compliance with all the provisions of this Agreement. You shall institute the approved grand opening plan as part of the opening of the Franchise Business and expend at least $3,000 on the grand opening. The date that the Franchise Business is first open to the public shall be the "**Opening Date**" of the Franchise Business. An extension of time for opening the Franchise Business shall only be granted if you can demonstrate to our reasonable satisfaction that the need for additional time to open is due to unforeseeable delays not due to your neglect, misconduct or financial inability. If an extension is granted, you will execute a Development Extension Amendment to the Franchise Agreement (the form of which is shown in Exhibit 7 to this Agreement) and pay an $3,000.00 extension fee for a six-month extension or a $5,000.00 extension fee for a twelve-month extension.

2.3 Early Termination. If you have not fulfilled the requirements of Sections 2.1 and 2.2 within twelve months of the Effective Date or any later date agreed to by us, we may terminate this Agreement as provided in Paragraph C of Section 13.3.1. If you are in default of any provisions and we terminate the Agreement for any reason, the initial franchise fee is fully earned and is not refundable.

3. SITE LOCATION.

3.1 Site Selection. You shall select a specific location within the Territory for the Franchise Business in accordance with our guidelines. You must select a site in which the

applicable landlord and the applicable governmental entities will both permit the signage required by us, including our light-up logo signs. You must provide us with proof of signage approval by the landlord and applicable governmental entities. Site selection is subject to our prior approval. We shall review a proposed site within 30 days after receipt of the proposal from you. We will approve the site for your franchised business based on factors such as neighborhood, area demographics, area competition, traffic patterns, access, parking, size, layout, length of availability, and the terms and conditions of any proposed lease or purchase contract. The parties shall designate the location and address of the approved location. We may also unilaterally insert the address of the approved location and the visual representation of the protected area into Section 3.1 of Exhibit 1. You acknowledge that our identification or consent of the location means that the location meets our current standards and does not constitute any assurance, representation, warranty or guaranty that the location will be a successful location for the Franchise Business. After you sign this agreement, we may provide guidance on your location that may include future sales estimates and cost estimates to assist you in planning for operating your business. Our estimates will have a reasonable basis, are based in part on our prior experience and are made in good faith but are ultimately only an estimate of possible future performance based on various assumptions. A majority of factors that affect performance are beyond our control. There may be factors that are beyond your control as well. Other factors that affect performance may not be anticipated. You should inquire of the assumptions and basis for our estimates in your evaluation. You should also review the historical performance of locations in our system as provided in Item 19 of our Franchise Disclosure Document and the related information and disclaimers in evaluating our estimates. If any estimate we provide or assumption does not align with how you believe you will operate your location, you should adjust the estimate accordingly.

3.2 Provisional Architect Review. We will provide you with the contact information for one or more architects that have been previously approved by us. You may use one of our approved architects or an architect you select. You will be responsible for paying the architect for services rendered. If you choose to use your own architect and do not use one of our approved architects, then we will review your architect's plans as a provisional assimilation toward the architect becoming an approved architect and you will pay us a fee as provided at Section 7.5.

3.3 Real Estate Assistance. We will assist you in evaluating possible sites, or may arrange for another party to provide this assistance to you, without charge as part of the Franchise Fee. If you obtain the services of a third party real estate consultant to assist you, then you are solely responsible for any fees for the real estate consultant.

3.4 Lease. The lease for the site of the Franchise Business is subject to our prior approval. Each lease shall expressly provide that if you default, the lessor shall give us the same notice required to be given to you, and we shall have the right, but not the obligation, to cure the default (the cost of which shall be immediately reimbursed to Bahama Buck's by you) and succeed to your rights under the lease. We shall have the right as stated in the lease to enter onto the location and make modifications to protect our Marks. The lease shall also expressly provide that it is immediately assumable by us, at our option, upon termination or expiration and nonrenewal of this Agreement without the further authorization or consent of the lessor.

3.5 Improvements and Equipment.

3.5.1 Plans and Specifications. You, at your sole cost and expense, shall install and maintain in safe, clean and good condition, all leasehold improvements, fixtures,

furnishings and equipment for the Franchise Business in accordance with our standard plans and specifications and the Manual (as defined in Section 8.3), subject to variances pre-approved by us for compliance with applicable laws and landlord requirements.

3.5.2 Opening Inspection. The Franchise Business may not be opened to the public if it is not constructed and equipped in strict conformity with plans and specifications approved by us. You shall not open the Franchise Business before receiving our final inspection and approval.

3.6 Signs and Trade Style. You shall display at the Franchise Business such signs, advertising, slogans, symbols, and trade style as we may occasionally prescribe, subject to lease and local zoning restrictions.

3.7 Relocation. You may not relocate your BAHAMA BUCK'S retail business within your Territory without our prior approval, which we will not unreasonably withhold. You shall use commercially reasonable efforts to obtain a lease term and renewals for the premises of the Franchise Business that extends through the term of this Agreement. If the lease expires or is canceled for reasons other than your default, and cannot be extended or renewed on reasonable terms, you shall promptly relocate the Franchise Business within twelve months at your sole cost and expense (including reimbursement of our reasonable expenses for approvals and assistance) to a site, and on lease terms, in accordance with this Section 3.

3.8 Mid-Term Upgrade. In addition to your obligations to perform on-going maintenance and repairs as provided in Section 10.2.1, we may require you to upgrade and remodel the Franchise Business to the then current standards and image for new BAHAMA BUCK'S retail businesses, one time, between the fifth and tenth year of this Agreement. You must complete your upgrade or renovation by the end of the tenth year of this Agreement. We will provide the current standards to you before the beginning of the fifth year of this Agreement.

4. SALES.

4.1 Retail Sales. You may only sell BAHAMA BUCK'S ORIGINAL SHAVED ICE products at retail to end-consumers at the approved location.

4.2 Mobile/Satellite Sales Amendment. While this Agreement is in effect and if you are not in default under the Agreement, you may request permission to make sales of BAHAMA BUCK'S ORIGINAL SHAVED ICE COMPANY products from one or more mobile/satellite units such as carts, trailers, trucks, or other authorized equipment ("**Mobile/Satellite Units**"). If we, in our sole discretion, approve you to make sales from Mobile/Satellite Units, then we both shall sign the Mobile/Satellite Sales Amendment that is Exhibit 4 to this Agreement. If you do not sign the Mobile/Satellite Sales Amendment at the same time that you sign this Franchise Agreement, then at a later time, you may request to be considered for Mobile/Satellite Unit sales. If we approve in our sole discretion, then we both will sign the then–current form of Mobile Unit Sales Amendment.

5. FRANCHISOR'S RETAINED RIGHTS.

5.1 Outside of the Territory. We may operate or license BAHAMA BUCK'S retail businesses that are located anywhere outside the Territory. Customers may obtain services from the Franchise Business or any other BAHAMA BUCK'S retail business. Any BAHAMA BUCK'S retail business may advertise for customers inside and outside of the Territory.

5.2 National Accounts. We may establish or franchise a third party to operate a BAHAMA BUCK'S retail business on either a temporary or permanent basis, within any resort, shopping mall, hospital, educational facility, amusement park, sports facility, museum, theater, airport, bus or railway station, or national or regional chain (having units in two or more states), or under any contract with the federal government, located within or outside of the Territory ("**National Account**"); provided, however, that we shall give you a first right of refusal to establish the business in the Territory if we have the right to do so under the terms of our contract for any such location. You shall have five business days to exercise any such right of first refusal.

5.3 Sales Through Other Channels of Distribution. We may sell products approved for sale by you, into the Territory through any other channels of distribution, either under the Marks (as defined in Section 6.1.1.A of the Agreement) or other trademarks. Other channels of distribution include the following.

5.3.1 Wholesale Sales. We and any of our affiliates shall have the exclusive right to sell BAHAMA BUCK'S ORIGINAL SHAVED ICE COMPANY products at wholesale, to businesses within and outside of the Territory, under the Marks or any other trademarks.

5.3.2 Internet Sales of Logo Items. We and any of our affiliates have the exclusive right to sell logo apparel and other non-perishable logo items via the Internet and catalogs.

6. SYSTEM, USE OF MARKS AND PROPRIETARY RIGHTS.

6.1 System. The Information and the Marks (each as defined below, and collectively the "**System**") are valuable property rights of and are owned by us.

6.1.1 Definitions. We have designed, developed and adopted specific methods relating to the operation of BAHAMA BUCK'S retail business, including without limitation:

A. Confidential and Proprietary Information. Confidential and proprietary information consisting of the Manual, the recipes and formulas for the gourmet shaved ice products, island specialty drinks, frozen dessert confections and related goods, wholesale prices, specifications, future product planning, marketing history, plans and strategies, customer information, research, mailing lists, vendor information, manufacturer information, financial and sales data, and sales techniques, all of which may be further developed or modified in the future (collectively the "**Confidential Information**"); and

B. Marks. The trademarks "BAHAMA BUCK'S ORIGINAL SHAVED ICE COMPANY," "BAHAMA BUCK'S" and such other proprietary trade names, service marks, logo types, trade symbols, trade styles, trade dress, emblems, signs, slogans, insignias, trademarks, designs and copyrights as we may acquire, adopt or develop and designate for use in connection with the BAHAMA BUCK'S System, together with all associated goodwill; (collectively the "**Marks**").

6.2 Ownership. We shall disclose the Confidential Information to you by loaning you, while this Agreement is in effect, the Manual, and other written materials containing the Confidential Information, and through training and other assistance provided to you. You acknowledge that we are the sole owner of the Confidential Information; that the Confidential Information is being imparted to you in trust and confidence and only because of your special status as a Franchisee of the System; and that the Confidential Information in its entirety as applied to the System is not generally known to the trade or public and is not known to you

except by reason of such disclosure. You further acknowledge that you shall acquire no interest in the Confidential Information, other than the right to utilize it in the development and operation of the Franchise Business while this Agreement is in effect. In addition, you acknowledge that the use, duplication or disclosure of the Confidential Information, except as expressly permitted by this Agreement, shall constitute an unfair method of competition, and that Bahama Buck's shall suffer irreparable injury.

6.3 Usage. Only signs, advertising, labels, trade styles and other designations meeting our specifications as set forth in the Manual, with all appropriate trademark and/or copyright notices, shall be used at the Franchise Business. You shall not use any names, trademarks, trade names, service marks, logotypes, trade styles, designs, signs, symbols or slogans other than the Marks in connection with the Franchise Business. You shall not use the Marks in connection with any other activities nor at any location other than the Franchise Business. You agree that your use of any Marks shall at all times comply with the specifications established occasionally by us and shall be to our benefit. You agree, upon request, to provide us with samples of your use of any Marks and to comply promptly with all requests to conform such use to our specifications. You expressly acknowledge that any unauthorized use of the Marks or Confidential Information shall constitute an infringement of our rights and an event of default under Paragraph M of Section 13.3.1. You agree not to use or display any names, marks, color combinations, designs, signs, symbols or other designations which are confusingly similar to the Marks in connection with any other business or activity in which you have an interest. You shall not engage in any trade practice or other activity which is harmful to the goodwill of, or reflects unfavorably upon our reputation or the System, or which constitutes a deceptive or unfair trade practice. You shall not directly or indirectly contest the validity of the Marks or the Confidential Information or our right to them.

6.4 Notice. You shall conspicuously post at the Franchise Business a notice in such form and content as we may reasonably designate to the effect that the Franchise Business is licensed by us and independently owned and operated by you.

6.5 Franchisee's Names. You shall not use the name "BAHAMA BUCK'S," "BAHAMA BUCK'S ORIGINAL SHAVED ICE COMPANY," or any word or derivative, or any Marks, or anything similar, as part of the name of the entity that operates the Franchise Business. You shall comply with our instructions for filing and maintaining the requisite local trade name or fictitious business name registrations, and shall sign any documents deemed necessary by us to obtain protection for the Marks or to maintain their continued validity. You shall identify yourself as a licensee in conjunction with any use of the Marks, including without limitation use on invoices, order forms, receipts, stationery, business cards and contracts. You shall not sign Bahama Buck's name to any contracts, obligations or other instruments or hold yourself out as a partner, agent or employee of Bahama Buck's, and you agree that all contracts and obligations entered into in establishing and maintaining the Franchise Business shall be in the entity's name.

6.6 Work Product Proprietary Rights. You agree that all recipes, formulas, products, packaging, techniques, methods, processes, procedures and any documents, papers, notes and other materials and work products containing or derived from the Confidential Information or connected with the operation of the Franchise Business shall be Confidential Information. You agree that you will have no proprietary interest in any work product developed or used by you and arising out of the operation of the Franchise Business. You will, occasionally, as may be requested by us, do all things, which may be necessary to establish or document our ownership of any such work product, including without limitation the signing of assignments.

6.7 Assignment of Improvements. You must disclose promptly to us any and all recipes, formulas, processes, inventions, technology, ideas, discoveries and improvements, whether or not patentable or copyrightable, conceived or made by you and your employees and agents and related to the Franchise Business, all of which shall automatically be owned by us, without compensation to you. Whenever requested to do so by us, you will sign any and all applications, assignments or other instruments which we shall deem necessary to apply for and obtain patents and/or copyrights or to otherwise evidence our ownership and/or protect our interest. These obligations shall continue beyond the termination of this Agreement with respect to inventions, discoveries and improvements conceived or made by you and your employees and agents while this Agreement was in effect.

6.8 Notification of Infringements and Claims. If you become aware of any infringing use of the Marks, or if any third party makes any claim, by suit or otherwise, against you arising out of your use of the Marks, you shall promptly notify us. We may take whatever action it deems appropriate. If any such claim relates solely to your use of the principal trademark "BAHAMA BUCK'S ORIGINAL SHAVED ICE COMPANY" or "BAHAMA BUCK'S" in full compliance with this Agreement, we shall retain counsel of our own choosing to defend you against any such claim, suit or demand, and shall protect, indemnify and save you harmless from any loss, cost or expense arising out of, or relating to, any such claim, suit or demand. You must sign such documents and to perform such actions as may, in our judgment, be necessary, appropriate or advisable in the conduct of such prosecution, defense or other action. You may not initiate any communication or respond with any information on any infringement or challenge with any person other than your legal counsel, us, our affiliates, or our counsel.

6.9 No Use of System, Marks or Proprietary Information after Termination. You shall have no right to use Bahama Buck's system, our Marks or Confidential Information after the expiration and non-renewal or termination of this Agreement as provided in Section 13.5.2.

7. FEES, PAYMENTS AND FEE POLICIES.

7.1 Initial Franchise Fee. At the time you sign this Agreement, you must pay an initial franchise fee of $34,500 (the "**Franchise Fee**") to us. The initial fee and all payments to us are fully earned upon the signing of this Agreement and are non-refundable under all circumstances.

7.2 Royalty Fee(s). You shall pay us a weekly royalty fee ("**Royalty Fee(s)**") in the amount of 6% of Gross Sales (as defined below). Royalties shall be due and payable on or before the Wednesday of each week for the Gross Sales from the Franchise Business in the previous week. We may elect to change the payment day upon notice to you. You will make this payment by electronic funds transfer as provided in Section 7.10. If any governmental taxing authority imposes a tax (other than an income tax) on us upon or against the Royalties payable under this Agreement, you shall pay these taxes together with Franchisee's Royalty Fee payments to us.

7.3 Gross Sales. As used in this Agreement, the term "**Gross Sales**" means all sales and other income derived from the Franchise Business, whether received in cash, credit, gift certificates or other form of payment, whether sold or consumed on or off the premises, and including your share of any revenues from any vending or other coin operated machines located on the Franchise Business property or premises, less applicable sales taxes or other taxes collected by you, and less valid coupon credits and employee discounts deducted from Gross Sales. We currently rely on the register report to provide the Gross Sales amount for all sales and other income derived from the Franchise Business (except for vending or coin operated

machine revenues and other sources of revenue) but we reserve the right to use any means necessary to provide the Gross Sales amount. See Section 9.9 for prohibitions on vending or other coin-operated machines without our approval.

7.4 Advertising Fee. You shall pay an advertising fee, as a nonrefundable contribution for research, development, quality assurance, advertising and promotion for the System ("**Advertising Fee**") of 2% of Franchisee's Gross Sales, calculated, due and payable into the "**Advertising Fund**" in the same manner and at the same times as Royalty Fees.

7.5 Provisional Architect Review Fee. If you do not use our approved architect, you will pay us a fee to review your architect's plans as a provisional assimilation toward the architect becoming an approved architect. This fee is currently $5,000. This fee is due when you provide us with your architect's plans. We will typically review your plans within five days of receipt but we will notify you of the estimated review time at the time of your submission. Our review may lead to corrections or adjustments to your architect's plans. You are responsible for any additional architect charges due to these changes regardless of whether you use our approved architect or an architect you select.

7.6 Late Fees and Violation Fees . You shall pay the following late fees for late payments and late reports in the same manner as royalties are paid.

7.6.1 Late Payment Fee. You shall pay us our then current late fee per late payment on any payments due to us from you (including without limitation Advertising Fees) that are overdue by any time period, together with interest as provided for in Section 7.12. This fee will be stated in our Manual and is currently $25 per violation.

7.6.2 Late Reporting Fee. You shall pay us our then current daily late fee for any reports, tax returns and financial statements required by Section 9.10 that are not timely submitted to us. This fee will be stated in our Manual and is currently graduated starting at $0 for the first notice, $100 per violation for notice 2, $250 per violation for notice 3 and $500 per violation for notice 4. We reserve all termination rights.

7.6.3 Violation Fees. If you violate any of our policies, standards or procedures as stated in this Agreement or our Manual, then we have the right to charge you the then-current fee, which is currently $100 for the first recurrent violation, $250 for the second repeat violation, and $500 for each subsequent and repeat violation.

7.7 Product Rush Fee. If you place an order that requires delivery within 24 hours of the time the order is placed, you will pay us a product rush fee ("**Product Rush Fee**") that is currently the greater of $25.00 or 10% of the order's total value for the rush service of the products you order.

7.8 Gift Cards and Gift Card Fees. We currently offer a gift card program. Under this program, you may purchase gift cards from us that you will then sell to your customers and load with the dollar values through the provider service. Cards that may only be used at a specific location will be prohibited. There may or may not be a processing fee to be paid for the program. The details of this program will be stated in our Manual. We may change or cancel this program at any time. This program may or may not be mandatory. In the past, we have offered a gift check program. You are required to honor the gift checks for the benefits of the guests. The gift checks may be redeemed at any Bahama Buck's store and are treated the same as receiving any other check. The checks do not have an expiration date. By executing

this Agreement, you agree to adhere to the requirements of any current or future program when developed.

7.9 Technology Fee. You must pay a technology fee for the development, set-up, use and maintenance costs for electronic and technologically-related services and support systems for guests, franchisees and the franchise system ("Technology Fee") as will be further described in the Manual. Vendors may also charge additional amounts for the services they provide. The currently Technology Fee amount will be stated in the Manual which will also provide for the method and timeframe of payment. Franchisor is not currently collecting the Technology Fee and will provide at least sixty (60) days' notice before collecting the Technology Fee. The Technology Fee may be used for any and all electronic and technological costs such as set up costs, technology service costs, software development and operations, loyalty program and survey costs, POS system development, polling, online ordering, data collection, support and operations, guest engagement platforms, guest applications, delivery systems, online training modules, operational videos, social media monitoring, information systems (including intranet and outside network systems, web-based systems, wireless, video and digital cameras systems, menu systems, back-of-house systems, digital media systems and network systems and the related hardware, middleware and software), and other telecommunication and electronic systems that are planned, in place or may be developed. For any electronic or technologically-related system, Franchisor will have the right to independently access the system in various manners and to collect and use the data in any manner, including to promote the System and to sell franchises. In order to adapt the changes in technological needs, Franchisor reserves the right to establish new programs and standards to implement new technology, which may require a change in the Technology Fee. You should expect to update your electronic and technological systems on a regular basis. Franchisor may require all or a portion of the Technology Fee to be paid to one or more designated third-party administrators. Franchisor may allocate and divide the Technology Fee into two or more sub-fees with different amounts for different categories of electronic or technologically related service or system. Franchisor may modify the programs and systems at any time and the technology fee may be periodically adjusted upon at least thirty (30) days' notice to you.

7.10 Electronic Funds Transfers. We require that payments owed by you to us or any of our affiliates be paid by electronic funds transfer from your primary bank account to our bank. When you sign this Agreement, you will also sign Exhibit 5 to this Agreement which is an electronic funds transfer authorization. You must also sign and deliver to us such other documents and authorizations as may be required by your bank and our bank to accomplish such electronic funds transfers. You must maintain sufficient funds in your primary bank account to pay all amounts owed to us under this Agreement, as provided for in the Manual. You must still provide the reports due to us as required by Section 9.10. If you fail to submit to us the reports we require on your net sales figures for the prior month as required by section 9.10, we have the right to withdraw from your bank account an amount of estimated royalty fees and ad fund fees. We will calculate this amount based on the last reported gross sales plus 20 percent as an estimate of the prior calendar month's royalty fees and ad fund fees as well as any late charges.

7.11 Audit Expenses and Deficiency Payments. We may conduct an audit or examination of your records, books or tax returns at any time or may arrange for an independent audit to be made of your books. We shall pay for the audit's costs unless such audit establishes that you have understated Gross Sales or underpaid Royalty Fees or Advertising Fees for any period by 2% or more, then you shall pay all costs and expenses associated with the audit to us in addition to any of the remedies described in Section 13.3 or

contained elsewhere within this Agreement. You shall also immediately pay us the amount of the deficiency in Royalty Fees or Advertising Fees plus Delinquent Interest, as defined below and late fees.

7.12 Delinquent Interest. All late payments due to us from you shall bear interest ("**Delinquent Interest**") at 1½% per month but not to exceed the maximum commercial usury rate allowed by law, from the date due until payment in full. The Delinquent Interest is in addition to the late payment fee provided for in Section 7.6.1.

7.13 No Right of Setoff. Fees and charges required to be paid by you to us are not subject to any right of setoff.

7.14 Security Agreement.

7.14.1 Grant of Security Interest in Collateral. You grant to us a security interest in all of your interests in the real estate where the Franchise Business is located, all improvements to that real estate, and in all furniture, furnishings, fixtures, equipment, inventory and supplies located at or used in connection with the Franchise Business, now or hereafter leased or acquired, together with all attachments, accessions, accessories, additions, substitutions and replacements, and all cash and noncash proceeds derived from insurance or the disposition of such collateral, to secure payment and performance of all debts, liabilities and obligations of any kind, whenever and however incurred, by you to us under this Agreement or any other agreement between them.

7.14.2 Authorization of Filings. You authorize us to file and record all financing statements, financing statement amendments, continuation financing statements, fixture filings and other documents necessary or desirable to evidence, perfect and continue the priority of the security interests granted under this Agreement. You also agree to sign and deliver these documents to us upon request.

7.14.3 Subordination by Bahama Buck's. If you are in Good Standing (as defined below), we agree upon request to sign subordinations of our security interests to suppliers, lenders and/or lessors furnishing the premises, equipment or financing for the Franchise Business. "**Good Standing**" as used in this Agreement shall mean that you are not in default under this Agreement or any other agreement with us, or any other agreement pertaining to the Franchise Business, and no event shall have occurred and be continuing which, with notice or the passage of time or both, would constitute such a default.

7.15 Guaranties. If you are a corporation, or a limited partnership whose general partner is a corporation, a limited liability company or any other form of legal entity, all applicable partners, officers, directors, managing members and individuals with a 10% or greater ownership interest of the entity (the "**Guarantor(s)**") shall approve this Agreement, furnish any personal financial information reasonably requested by us, and sign a personal guaranty of your payments and performance obligations under this Agreement and any agreement signed upon renewal, in form and substance substantially in the form of the attached Exhibit 2 (the "**Guaranty**"). Individuals who subsequently acquire or otherwise succeed to such a position or interest shall also be required to sign a Guaranty. If required by law for any Guaranty to be enforceable, spouses must also sign the Guaranties.

7.16 Report on Initial Investment. . Within 90 days after opening the BAHAMA BUCK'S retail business you must submit a report to us detailing your initial investment costs to develop and open the Franchise Business in the format we prescribe as stated in the Manual

and which is anticipated to be the categories currently described in Item 7 of our franchise disclosure document. You must also provide such other information as we may request on these costs.

7.17 Conference Fees. We may hold meetings or conferences for our franchises from time to time which may be mandatory or voluntary. We may impose a fee for attendance at a meeting or conference. We may also charge a fee for your failure to attend any required meetings and conferences. We may withdraw the charge for attending the meetings or conference directly from franchisee's bank account prior to the event consistent with our policies and procedures or the fee for failing to attend the event.

8. FRANCHISOR'S PRODUCTS AND SERVICES. We shall provide you with the following products and services during the term of this Agreement.

8.1 Architectural Plans and Other Specifications. We shall provide you with one set of standard site plans for the interior and exterior of the BAHAMA BUCK'S retail business upon the signing of this Agreement. We shall also provide the specifications as stated in Section 3.5.1.

8.2 Promotional Materials. One month before your estimated opening date, we shall provide you with promotional materials without charge. Currently, we are providing 500 VIP guest invitations and envelopes, 2 A-frame signs, 2,500 coupon cards, 1,000 paper menus, 1000 VIP passes, 250 business cards, and a shop media opening kit (product posters and displays), although we reserve the right to adjust the amounts and types of materials depending on the current market conditions.

8.3 Franchisee Manual. To establish and maintain uniform standards of operation, we have developed an operations manual (the "**Manual**") that contains mandatory and suggested procedures on managing, operating, marketing, record keeping, reporting procedures and quality standards for products and services. In the future, we may develop other manuals that shall be included in the term "Manual" in this Agreement. You must operate the Franchise Business in strict accordance with the Manual, as adopted, amended and supplemented periodically. Revisions to the Manual will be provided as stated in the Manual. We shall loan you one copy of the Manual upon your successful completion of initial training. If there is any dispute regarding the Manual, the terms of the master copies maintained by us shall be controlling. If you lose your copy of the Manual, you must notify us and pay the then current charges for a replacement copy. We may provide you with a sample employment manual. We strongly recommend that you have an employment attorney from the state your franchise will be located in review the manual's policies for compliance with your state employment and discrimination laws. We do not make any claim that the sample manual will meet your state's law and you are solely responsible for complying with the law. Further, you are in control of the employment procedures and policies and you should revise the sample manual for your own policies and procedures that are consistent with our System standards.

8.4 Products Purchased from Bahama Buck's.

8.4.1 Products and Prices. You shall purchase flavored and sugar free concentrates and pre-made frozen dessert confections, ice products and possibly coffee products (collectively, "Ice Products") solely from us or one of our affiliates. At your option, you may purchase supplements for the Ice Products, equipment, tools, gift cards, logo apparel and other logo products and supplies from us ("Equipment") at competitive prices. We have the right, at all times, to cease manufacturing, modify and/or add any and all types of Ice Products and

Equipment sold by us, and to adjust the wholesale prices, in our sole and absolute discretion. We shall inform you about wholesale prices and available Ice Products and Equipment in writing periodically. We will make a reasonable effort to provide you with advance notice of increases in our prices. The prices charged by us to you shall be the wholesale prices in effect when we accept an order from you. We may recommend resale prices for Ice Products and the selected Equipment such as clothing that you might sell, but you shall have sole control over the retail prices at which you sell Ice Products and Equipment to your customers. We have the right to require our affiliate to pay us a rebate based on your purchases. We also have the right to withdraw approval of suppliers for one or more products or services and require you to purchase the products or supplies from us or our affiliate. We also have the right to become, or have an affiliate become, the sole supplier of equipment, supplies, and services.

8.4.2 Credit and Security Interests. All sales by us to you shall be on a cash basis or on such credit or advance payment terms as we, in our sole discretion, may establish periodically. We shall not be obliged to extend credit to you or to assist you in securing credit. Regardless of the method of payment, we shall retain a security interest in all Ice Products and other items delivered to you until we receive full payment of all monies owed to us. You must notify us in writing of any claim for shortage in a shipment within five business days after receipt of the shipment.

8.4.3 Shipping. All items sold to you shall be sold F.O.B. from a warehouse or manufacturing facility designated by us. Items ordered for delivery within 24 hours of order placement will be subject to a Product Rush Fee as stated in Section 7.7. If a site draft bill of lading is used, title and risk of loss shall pass to you when the shipment is delivered to the carrier for delivery to you. You shall pay all shipping costs and expenses. You shall not be liable for any delay or failure to accept any shipment because of events such as acts of God, governmental authority, war, terrorism, strikes or any other cause, natural or otherwise beyond your reasonable control ("**Force Majeure**"). Any Force Majeure closure as a result of civil unrest may not last for more than three (3) days unless written authorization is provided by us after a written request and full disclosure of the circumstances is provided by you.

8.4.4 Acceptance of Orders. We shall have the right to specify the forms and procedures governing the placement of orders, including without limitation the routing to be used for delivery of accepted orders. No term or condition contained in any request for quotation, purchase order, acknowledgement or other form of communication from you, except those specifying the quantity, and types of Ice Products or Equipment ordered and shipping instructions, will apply to our sale of Ice Products or Equipment to you unless our authorized representative first agrees to it in writing. We reserve the right to refuse orders, to revoke credit arrangements in favor of direct payment in full and to withhold shipment to you until all past due invoices and amounts due under this Agreement are paid in full to us.

8.4.5 Shortages. You will notify us at least 30 days in advance of placing any order that exceed the amounts specified in the Manual. If we are restricted in the production, sale or delivery of any order by manufacturing capacity limitations or any event of Force Majeure beyond our reasonable control, we shall not be compelled to honor previously accepted orders, but shall distribute available inventory among all franchisees in a fair and equitable manner, and we shall not be liable for any such failure or delay in filling orders.

8.4.6 Taxes. You shall be responsible for federal, state and local sales, use, personal property, inventory and other taxes that may be assessed against you on any inventory and other property in your possession. You shall also be responsible for any local, state and federal excise taxes on shipments to you if these excise taxes are not included in our prices.

8.4.7 Returns. You must obtain prior authorization from us to return any Ice Products or Equipment. We will provide you with a merchandise credit for the full wholesale purchase price paid by you for returned Ice Products and Equipment in their original condition, less a 20% restocking fee. We do not accept returns of discontinued or obsolete products, or special order items. You must prepay all transportation costs. All returns must be packaged to avoid damage.

8.5 Training.

8.5.1 Initial Training. We will provide an initial training program at least two weeks before the opening of your BAHAMA BUCK'S store as follows.

A. Location. All training will be conducted at our corporate headquarters located in Lubbock, Texas or at another BAHAMA BUCK'S retail business, as designated by us.

B. Initial Training Program. Following the signing of this Agreement, an individual Franchisee (or if the Franchisee is a corporation, partnership or other legal entity, the individual designed as a Designated Representative as defined below) must attend and satisfactorily complete the initial training program provided by us to our satisfaction. The initial training program shall consist of approximately five continuous days of training. Initial training will cover the operation and administration of a BAHAMA BUCK'S retail business, including methods and procedures for operating the franchise, advertising and promotional programs, recruiting, screening and selecting employees, administrative, accounting and general management procedures. You or your Designated Representative must complete your training before opening the Franchise Business. Any additional or subsequent Designated Representative must also attend and satisfactorily complete our training program and you must pay us according to Section 8.5.1.C.

C. Expenses. The initial training program tuition for an individual Franchisee (or your Designated Representative) and one additional participant has been incorporated into the Franchise Fee. Training for any additional people or for any additional training shall be at our current training charges which shall be paid by you before or at the start of training and shall be arranged by us according to our current schedule. You must pay for all travel, lodging, food and other personal expenses incurred for yourself, your spouse or any of your employees in attending initial training.

D. Confidentiality Agreement and Noncompetition Agreement. Each person must sign our standard form of Confidentiality Agreement and Noncompetition Agreement as provided for in Section 10.7 before attending initial training.

8.5.2 Annual National and Regional Meetings. We may, but are not required to, provide annual regional or national meetings for advanced operations training and improved communications. You must attend any regional or national annual meeting. We may also charge a registration fee to recover our costs in providing the meeting. You must pay for your costs for travel, lodging, food and other personal expenses, as well as any registration fees that may be imposed.

8.5.3 Continuing Training. We may, at our sole option, hold refresher and/or additional training programs for you, at location(s) selected by us. Such programs may be mandatory or optional. We may require you or your employees to participate in mandatory

training at no additional charge. We may charge tuition for any optional programs. You shall be responsible for the travel, lodging, food and other personal expenses of those who attend.

8.6 Guidance. We shall provide reasonable support to you that may be provided in various methods, including emails and telephone calls to our help line. We shall make our help line available Mondays through Fridays, excepting holidays, and for certain hours, as provided for in the Manual. We shall not be obligated to provide on-site assistance after you open your BAHAMA BUCK'S retail business. You may request on-site assistance from us and subject to our scheduling availability and type of assistance requested, we may provide on-site assistance at our current hourly rate. You will also reimburse us for our travel, lodging and meal expenses during the on-site assistance within 30 days of receiving notice of these expenses.

8.7 Advertising.

8.7.1 Advertising Fund. We have established one, and at our option may establish more, Advertising Fund to pool advertising monies of Bahama Buck's and each of our franchisees so as to achieve greater benefits for all in promoting the BAHAMA BUCK'S brand and our Marks. You must pay us, as a contribution to the Advertising Fund, 2% of your Gross Sales, payable at the same times and in the same manner as Royalties. If we ever own and operate a BAHAMA BUCK'S retail business, then we may, but are not obligated to, make contributions to the Advertising Fund on the same basis as you. We will keep the Advertising Fund in a segregated account. Any amounts not spent during the fiscal year in which the amounts were collected will remain in the Advertising Fund for future use by us in accordance with our current Advertising Fund policies. If we expend amounts in one year that are in excess of the Advertising Fund, then we may seek reimbursement from the Advertising Fund.

A. Use of Funds. The Advertising Fund may be used to pay for market research, development, branding, quality assurance, advertising materials, promotion or public relations programs, media placement for a national or regional advertising program, a referral program, or any combination of them, as we, in our sole discretion, may deem necessary or appropriate to advertise or promote Bahama Buck's and to assure and enhance the name, goodwill, reputation and quality of the System and Bahama Buck's brand, and Marks. Although advertising funds will not be used to primarily solicit franchises, advertising may contain a short statement providing contact information for parties interested in franchising. We shall direct all such programs and activities, with sole discretion over the methods, types of support (including training, account quality visits and written materials), creative concepts, materials, endorsements and media used, and the timing, placement and allocation. You agree that the Advertising Fund may be used to meet any and all costs of maintaining, administering, developing, creating, directing and preparing national, regional or local research, development, quality assurance, advertising and promotion materials, branding programs, advertising programs and activities, including the costs of creating, preparing and conducting test marketing, surveys, direct mail/distribution, couponing, television, radio, magazine, bill board, newspaper and other media programs and activities, training and inspection programs, updated Manual and the costs of hiring others to assist us. Advertising Funds may be used for the costs of any collection, mediation, arbitration or litigation involving the Advertising Fund. We may initiate Advertising Fund projects that are national or regional in scope and may also make allocations of Advertising Fund monies to local groups of franchisees or individual franchisees when we consider it desirable. Because the benefits of advertising and promotion are difficult to measure with precision, we reserve the unqualified right to determine, in our sole discretion, how Advertising Fund monies will be spent; the sole proviso is that the monies must be used in a manner that is described above.

B. Reports. We will prepare an annual summary of the percentages spent on production, media placement, administrative expenses and other categories as appropriate from the Advertising Fund in the prior year. This summary will be made available to you at our corporate office within 10 business days from our receipt of your request.

8.7.2 Approval of Advertising Materials. You may only use materials that we have expressly approved or prepared. You shall submit a sample of all local advertising and promotional materials to us for approval before you use any advertising or promotional material that has not been previously approved by us. We shall not unreasonably withhold our approval. We will typically respond with our approval or denial within 15 days after we receive the submitted advertising. Our failure to respond within the designated period shall not be deemed approval.

8.7.3 Additional Advertising. We shall not be obligated to provide you with any marketing materials other than as provided in Section 8.2. We may offer you advertising layouts, slicks, copy and promotions produced by us for our own use to you, and you may, at your option and expense, modify, use and reproduce such materials for your own use, subject to obtaining our approval as provided in Section 9.6.3. We may charge a reasonable competitive price for these materials. We may take photographs of our events in order to promote the event and the System. You consent to our usage of any photograph that contains an image of you that we take at an event or at the Franchise Business location, such as training, conferences, seminars, events or at our office.

8.7.4 Area Advertising Cooperatives. Whenever there is more than one BAHAMA BUCK'S retail business in a particular marketing area, we may establish a cooperative to do joint advertising and educational and promotional programs for that area (an "Advertising Cooperative"). We may establish and realign cooperative marketing areas periodically for the overall benefit of the System.

A. Participation. Each Franchisee who owns a BAHAMA BUCK'S retail business in the marketing area designated by Bahama Buck's shall automatically become a member of that Advertising Cooperative, and shall participate actively to the fullest extent permitted by law in all of our approved Advertising Cooperative programs. Each BAHAMA BUCK'S retail business in a cooperative (including stores operated by us or any future affiliates) shall be entitled to one vote on any matter being considered by the cooperative, except that if a you are not in Good Standing (as defined in Section 7.14.3), you shall not be entitled to vote on any matter while not in Good Standing. If we do not operate a store in a marketing area, we shall be a non-voting advisory member of the Advertising Cooperative for that area, entitled to one week's advance notice of all meetings as provided in Section 15.2, and to attend all meetings of the Advertising Cooperative.

B. Assessments. Upon the approval of any advertising, educational and/or promotional programs by the Advertising Cooperative and Bahama Buck's, you and all members of the Advertising Cooperative (including those who were not present, voted against a program, or were ineligible to vote because they were not in Good Standing) shall be obligated to contribute to the costs of the programs, and the general expenses of the Advertising Cooperative, allocated as determined by a vote of the members of the Cooperative. We shall have the right, but not the obligation, to enforce your financial obligations to the Advertising Cooperative.

8.8 Confidentiality. We may prepare and disseminate publicly consolidated statements or reports regarding the financial performance or operations of our franchisees so

long as such reports are either provided by us to other franchisees within the system or do not disclose specific information or data with respect to individual franchisees . We shall not disclose or communicate to others (including our other franchisees) any confidential financial information we obtain from you except as may be required in defense or prosecution of litigation, in connection with an Assignment (as defined in Section 12.3) by you pursuant to Section 12, by order of court or government agency, or otherwise by law.

9. FRANCHISEE'S DUTIES.

9.1 Authorized Procedures. You shall at all times comply with the operating procedures set forth in the Manual and this Agreement.

9.2 High Standards and Honest Business Practices. You must main high standards of quality and guest service, as further stated in the Manual, including employee personal appearance and the appearance and sanitary standards for the BAHAMA BUCK'S retail business. To maintain the reputation and goodwill of the System and the Marks, you acknowledge that you and your employees must maintain the highest standards of honesty, integrity, fair dealing and ethical conduct, including promoting only accurate and honest advertising.

9.3 Operating Hours. Unless otherwise approved by us, the Franchise Business shall be "fully operational" at least 60 hours a week throughout the year. "Fully operational" is defined in the Manual. Currently, fully operational means that all customer order points are open and available for guest use. If you elect to close one order point, such as a drive-through, the hours of reduced access will not be counted in meeting your open hour requirement. You are required to be open on Mondays through Saturdays (excepting holidays). You may elect to be open on Sunday.

9.4 Approved Menu and Other Products.

9.4.1 Quality Control. We shall provide you with a list of our required and suggested menu item and products. You shall only offer a complete menu of the quality frozen dessert confections, shaved ice products, island specialties and other menu and product items approved by us in the operation of the Franchise Business, as specified in the Manual. Your sales of non-frozen ice dessert menu items and coffee products may not exceed 50% of your total Gross Sales. If you desire to purchase products or supplies which are either not already approved by us or are from a vendor not previously approved, you must submit either the specifications for the items (and if requested, sample products or supplies) or information on the vendor to us. You must pay us our current fee and actual costs for evaluating new suppliers. We will then have 30 days to evaluate the product or supplies or the vendor and respond to your request. We shall not unreasonably withhold our approval but we may require that the supplier pay us a rebate as a condition of our approval. If your approved supplier will be producing products or supplies with our trademarks, then we have the right to charge the suppliers our then-current licensing fee as stated in the Manual. If the supplier does not pay the then-current licensing fee, then we have the right to disapprove that supplier. If you are purchasing products or supplies from a supplier that we have not approved (or continue to purchase supplies or products from a supplier that we previously approved but does not meet our current standards and for which we have notified you of our non-approval), then you are in violation of our policies, standards and procedures and we may charge you a violation fee as stated in Section 7.6.3.

9.4.2 Inventory Requirement. Before opening the Franchise Business, and continuously afterwards, you must purchase and maintain at all times a minimum 30 day supply

of frozen dessert concentrates and such other products or supplies, including at least the minimum flavors and quantities of Ice Products and such other products as are specified in the Manual. You must store all such inventory in such a manner and under such conditions as to maintain the inventory in a sanitary and first-class condition.

9.5 E-Mail Account, Internet Access, Software and POS System. As further specified in the Manual, you must maintain an email account for correspondence between Bahama Buck's and you. You must access the email account daily (once every 24 hours, except for weekends) and respond to email questions and comments in a timely manner that is consistent with reasonable business practices. You must be able to efficiently access our website to download required information or Manual updates and communicate with us and other franchisees. You must have a dedicated telephone line to fulfill these purposes if high-speed Internet access is not available to you. You must also use the point of sale system and such other software as specified in the Manual. We may access and review any electronic information in our system, including any server or other communication system, but we have no obligation to do so.

9.6 Promotion.

9.6.1 Telephone Number and Yellow Pages Advertising. You must obtain a new telephone number and a white pages telephone directory listing, at your own expense and solely for the use and benefit of the Franchise Business. You may, at your option, obtain yellow pages listings and advertising, subject to our prior approval.

9.6.2 Grand Opening. You shall promote the opening of the Franchise Business in accordance with the grand opening plan approved by us in accordance with Section 2.2.

9.6.3 Bahama Buck's Approval. All advertising done by you shall be subject to our prior approval with respect to form and content (other than pricing).

9.6.4 Local Advertising. You must do a certain amount and type of local advertising to serve the area in which the Franchise Business is located, as required in the Manual.

9.6.5 Internet Advertising. We reserve the right but are not obligated in any specific way to control all use of URL's domain names, websites, addresses, metatags, links, email address and other means of electronic identification or origin ("**e-names**") related to the Franchised Business and System. We also reserve the right but are not obligated in any specific way to designate, approve, control or limit all aspects of Franchisees' use of the Internet, Intranet, World Wide Web, wireless technology, digital cable, use of e-names, email, websites, home pages, bulletin boards, blogs, chat rooms, social media such as Facebook, Instagram, Twitter, email, linking, framing, on-line purchasing cooperatives, marketplaces, barter exchanges, and related technologies, methods, techniques, registrations, networking, and any electronic communication, commerce, computations, or any means of interactive electronic documents contained in a network of computers or similar devices linked by communications software (collectively, "**e-media**"). Any e-media account shall be our property unless we specifically permit otherwise. Accordingly, you may not establish any e-names or use any e-media using our Marks or any derivatives or advertising the Franchise Business, including use in a web address or uniform resource locator, without our prior approval which may or may not be granted in our sole discretion. We may establish an internet web site or other e-media with your BAHAMA BUCK'S retail business address and telephone number, although we are not obligated to

provide a web-page or other e-media for you. Any and all photographs and other media posted to any e-media platform must comply with all applicable laws, including federal and state laws governing copyright. You agree that we own all right, title and interest in and to, any and all e-names and e-media that that we use or that you use in connection with the System or which bear our Marks or any derivative of Marks. You agree that we also own all rights and interest in any data collected via e-media related to the System, including any customer data, click-stream data, cookies, user data and hits and that such information is also included in our Confidential Information. If you are granted the right to operate such an account, you must grant us permanent access to all such e-media accounts, including the right to edit, post, delete and revise content. You shall provide and update a list of all passwords necessary for such access to us.

As stated above, we reserve the right to own any e-media accounts used promote the Franchise Business. If we own these accounts, then we also reserve the right to require you to pay the provider directly (and keep the account current) or to pay a fee directly to us. If we own these accounts, then we may provide you with the passwords and authority to use such accounts to promote the Franchise Business. If we manage these e-media accounts for you, we may also charge a fee for our services. If we exercise these rights after commencement of the Franchise Business when you have existing and approved accounts, then we will provide you with at least thirty (30) days' notice before requiring assignment of the e-media account to us. If you have established unapproved accounts, then we may require immediate transfer of the account ownership to us. You will provide all necessary passwords and account transfer confirmation as necessary to accomplish the transfer. Further policies and procedures for the e-media accounts may be stated in the Manual or will otherwise be communicated to Franchisee in writing. We are not obligated to act and have no control over third-party social media actions or boycotts.

9.6.6 Donations and Association with Organizations and Causes. . You shall not donate money, products or services in the name of the Franchise Business to any charitable, political, religious or other organization or cause or to act in support of any such organization or cause except in accordance with our Manual.

9.7 Management.

9.7.1 Personal Participation. If you are initially an entity, or when any individual Franchisee makes an Assignment of this Agreement to an entity as required in Section 2.1(iii) and in accordance with Section 12.5, you must designate a single individual (the "**Designated Representative**") who must successfully complete initial training as provided in Section 8.5, work at least 20 hours a week under Section 9.7.2 and be primarily responsible for your performance under this Agreement. The appointment of a Designated Representative shall be subject to our approval. You authorize the Designated Representative to be our point of contact for all communication related to the Franchise Business unless we are otherwise directed in writing. If your entity has multiple owners, you must also identify the owner who is to be the primary correspondent for the ownership group and from whom we are to rely upon for decisions from the entity that are not made by the Designated Representative. The primary correspondent for the ownership group may be the Designated Representative or may be a different person.

9.7.2 Full Time Efforts. Your approved Designated Representative must devote his or her full time efforts to the growth, promotion and success of the Franchise Business and be completely responsible for handling the administrative functions of the Franchise Business. The individual Franchisee or the approved Designated Representative must personally participate in the actual retail operation of the Franchise Business at least 20 hours

each week. During the term of the Franchise Agreement, you must provide us with 90 days' notice before you or your Designated Representative, purchase any other franchise in any other system, or own more than 20% of any other business.

9.7.3 Retail Business Manager. You may designate a retail business manager to supervise the retail business ("**Retail Business Manager**"). You are responsible for training your Retail Business Manager.

9.7.4 Other Employees. You shall at all times have a sufficient number of competent trained employees so as to enable you to operate the Franchise Business efficiently and in a manner consistent with the standards and specifications set by us. Notwithstanding any other provision of this Agreement, you, at your own cost and expense, must train your employees for the Franchise Business to our satisfaction.

9.7.5 Vendors. You consent to our (and to our representatives and agents) communications and meetings with your vendors, and hereby authorize your vendors, suppliers, lenders, equipment lessors as well as customers to provide us with any information that we request that is reasonably related to the Franchised Business. You expressly waive any confidentiality rights in any agreements regarding the disclosure of this information to us or our agents. You agree to execute such documents as we may request from time to time to confirm our rights.

9.8 Compliance with Laws & Data Security . You and your owners shall operate the Franchise Business in strict compliance with all applicable court orders, laws, regulations, permits and licenses. You acknowledge and agree that protection of customer privacy and credit card information is necessary to protect the goodwill of the System. You must implement all administrative, physical and technical safeguards necessary to be in accordance with applicable law and best industry practices to protect any information that can be used to identify an individual, including names, addresses, telephone numbers, email addresses, social security numbers, employee identification numbers, signatures, passwords, financial information, credit cards information, vehicle identification numbers, account numbers, biometric or health data, government-issued identification numbers and credit-report information ("Personal Identifiable Information" or "PII"). It is your responsibility to confirm that the safeguards you use to protect Personal Identifiable Information comply with all applicable laws and industry best practices related to the collection, access, use, storage, disposal and disclosure of PII even if we provide you with any suggestions or guidance. If you become aware of any suspected or actual breach of security or unauthorized access involving Personal Identifiable Information, you will immediately notify us and provide specifics on the Personal Identifiable Information was compromised or disclosed. Upon our reasonable request, you agree to permit us, our affiliates, and any third-party vendors we designate to have independent unlimited access to all information generated by your computer system. If you have a third-party vendor for your computer system, you agree to sign a release providing us with unlimited access to your data in the event of an actual or suspected data breach. You and your owners specifically agree to comply with any and all laws, regulations and orders relating to anti-terrorist activities including, but not limited to, Executive Order 13244. You and your owners confirm that neither you nor your owners are listed on any federally maintained list of specially designated nationals and blocked entities ("**SDN List**"). You and your owners agree to not hire or transact any business with any person or entity listed on the SDN List, which is currently available at www.treasury.gov. You and your owners specifically agree to comply with any state required employment verification programs and any federal employment verification programs such as E-Verify.

9.9 Prohibited Displays. You shall not install, maintain or have available on the site or surrounding area of the BAHAMA BUCK'S retail business any newspaper racks, video games, juke boxes, gaming machines, games, rides, vending machines or other similar devices without our approval. You must immediately remove any these devices upon notification from us.

9.10 Records and Reports.

9.10.1 Reports. You shall furnish us with all operating reports reasonably requested by us and as required by the Manual, including weekly Gross Sales reports and other monthly and annual operating reports. Weekly Gross Sales reports shall be submitted to us at the same time as your Royalty Fee payment. Monthly reports shall be due 15 days following the end of each calendar month, beginning on the first day of the calendar month following the month in which the BAHAMA BUCK'S retail business opened. Annual reports shall be due by January 31st for each preceding year.

9.10.2 State Tax Returns. Within 15 days after you file any state tax return or any other return or report wherein a tax calculation is based upon gross sales or receipts of the BAHAMA BUCK'S retail business, you shall provide us with a signed copy of the entire return or report.

9.10.3 Financial Statements. Within 90 days after the close of your fiscal year, you shall furnish us with a profit and loss statement for the preceding fiscal year and a balance sheet as of the end of the year, each certified by you as true and correct. If your financial statements shall at any time be compiled, reviewed or audited by a certified public accountant, you shall furnish us with a copy at no charge.

9.10.4 Availability of Records. You shall keep your operational and financial records readily available at the BAHAMA BUCK'S retail business. The type of records shall be stated in the Manual but will at least include accounting records and books, customer files, gross sales reports by product, purchase records, sales tax records, deposit tickets, bank statements, canceled checks and business tax returns for at least three preceding years. You shall provide us with access to your operational and financial records upon our request.

9.10.5 Audit of Records. We may conduct an audit of your operational and financial records at any time and you may have to pay the costs and expenses of an audit if an understatement is found, as provided in Section 7.11. However, our audit rights do not include the right to inspect or review the payroll records of your Employee's.

9.10.6 Recordkeeping System. We may develop a recommended uniform system of accounting and record keeping, including a standard chart of accounts. Any uniform system will be provided in the Manual. You must keep all records for the Franchise Business in conformance with any recommended system, and you shall be solely responsible for performing all record keeping duties.

9.11 Maximum Borrowing Commitment. You acknowledge and agree that the maximum amount of debt that you may incur shall not be greater than 85% of your initial investment in the Franchise Business unit ("Debt Limit"). You shall not borrow in excess of this maximum allowed Debt Limit without our prior consent. We do not guaranty or imply that the Franchise Business will financially support a debt at the highest Debt Limit percentage or that the Franchise Business will be successful if your debt is less than the stated Debt Limit.

9.12 Expenses. You shall be solely responsible for, and shall pay before delinquent (unless being contested in good faith): All operating expenses, taxes and levies in connection

with the operation of the Franchise Business, including all costs related to obtaining, purchasing, leasing, maintaining, repairing or replacing inventory, equipment and supplies needed to operate the Franchise Business, all salaries and wages of employees, and all business, excise, sales, use, real and personal property taxes, and other taxes and assessments levied or imposed upon the Franchise Business.

9.13 Indemnification. Except as otherwise expressly provided in Section 6.8, you must indemnify and hold us (and our officers, owners, insurers, attorneys, employees, and agents), harmless from and against any and all costs, expenses (including reasonable attorneys' fees and court costs), losses, liabilities, damages, injuries, expert and other fees, causes of action, claims and demands whatsoever and however, arising out of or affecting this Agreement, the operation of the Franchise Business, or the products or supplies used in connection with it, and whether arising from bodily injury, personal injury or property damage, or any other violation of the rights of others, or in any other manner.

9.14 Insurance.

9.14.1 Required Coverage. You shall maintain at all times while this Agreement is in effect, at your expense, for the Franchise Business, this insurance as may be required by law, the terms of the lease for the Franchise Business, all leases of equipment used in the Franchise Business and as provided in the Manual. Such policies may also include employers' liability coverage, and cyber security and data privacy policies as well as general commercial liability and other standard policies. All insurance obtained by you shall be in form acceptable to us, with insurers rated B+ or better in "Best's Insurance Guide," shall name us as co-insured as our interests may appear, and shall provide for the same advance notice of cancellation or adverse modification to be given to us as to you. Certificates of Insurance for at least the minimum required coverages specified in the Manual shall be delivered to and retained by us. All insurance policies required by this Section 9.14.1 shall contain a waiver by the insurance carrier of all subrogation rights against us. All required insurance policies shall be renewed, and certificates of insurance, together with evidence of payment of premiums, delivered to us, at least 30 days before the respective expiration dates of existing policies.

9.14.2 Procurement by Bahama Buck's. Should you fail to procure or maintain insurance policies as required by this Section 9.14, we may, at our option, without waiving our right to declare a material default and procure the same in your name and bill you for all of our costs, which shall be immediately due and payable upon receipt of invoice.

9.14.3 Adjustments. We may, not more frequently than annually, require additional types of coverage and/or adjust coverage minimums, based on what is then reasonable and customary in the restaurant industry for this type of retail business.

10. PROTECTION OF THE SYSTEM.

10.1 Confidentiality. The Confidential Information and all other information and knowledge about the System that is not in the public domain and any other information and material as we may designate as confidential shall be deemed confidential for purposes of this Agreement. You acknowledge that the Confidential Information is disclosed to you solely on the condition that you agree that you: (a) Will use the Confidential Information in strict accordance with the instructions and directions given by us periodically; (b) will not use the Confidential Information in any other business or capacity; (c) will maintain the absolute confidentiality of the Confidential Information while this Agreement is in effect, and will disclose the Confidential Information, and permit access to any materials containing the Confidential Information, only to

those employees who need to know them to perform their duties; (d) will maintain the absolute confidentiality of the Confidential Information after the expiration, Assignment or termination of this Agreement for any reason; (e) will not copy any written materials containing the Confidential Information, including without limitation the Manual, without our prior consent; (f) will observe and implement all reasonable procedures imposed periodically by us to prevent the unauthorized use and disclosure of the Confidential Information; (g) will keep the Manual and all other written materials containing any portion of the Confidential Information in a secure place; and (h) if you are legally compelled to disclose any Confidential Information, will do so only if you have afforded us the opportunity of to obtain appropriate protective orders or other assurances of confidentiality satisfactory to us. These restrictions are imposed for the term of this Agreement, and after this Agreement is terminated (or expires), the entire length of time that any Confidential Information is a trade secret and otherwise, the longest of either four years or as long as may be required by applicable law.

10.2 Standards.

10.2.1 Specifications. You recognize that the System is founded on the concept of consistently providing gourmet shaved ice products, island specialties and frozen dessert confections and other menu and product items at all times that BAHAMA BUCK'S retail businesses are open. You also expressly understand that to insure that the distinguishing characteristics of the System are uniformly maintained, you must comply with the uniform standards and specifications for construction, maintenance and repair of leasehold improvements, fixtures, furnishings, equipment, signs and supplies, for the use of the Marks, and for the performance of services, all of which may be modified and further developed by us periodically. Your failure to correct any unauthorized variance from these standards within a reasonable time after notice from us shall be grounds for termination of this Agreement.

10.2.2 Inspections. You expressly authorize us to enter the Franchise Store and any Mobile/Satellite Units at any time during normal business hours to inspect and examine the location, the operations, facilities, equipment, books and records and other operating reports, and to verify inventory, procedures and compliance with this Agreement. Inspections may include the testing, sampling and inspection of food and ingredients used by you, as well as storage, use preparation of these desserts, food, beverage ingredients and products. We reserve the right to select or request that you provide us, free of charge, with inventory, equipment, advertising and other samples for inspection and evaluation purposes to make certain that the items conform with our then-current standards. If you do not pass the examination you will be charged a re-evaluation fee, as well as any travel expenses associated with re-evaluation. We may also implement a secret shopper program occasionally throughout the term of this Agreement. You will not be obligated to pay for a secret shopper visit in which you pass the evaluation, but you will be responsible for paying for any secret shopper visits for which you, in our reasonable business judgment, fail the examination.

10.3 Modifications. The System may be changed periodically in whole or in part for the intended purpose of making it more effective, efficient, economical and/or competitive, adapting to new conditions, materials, market preferences and/or technology, enhancing the reputation and public appearance of the System, and/or better servicing customers. We may periodically develop or acquire additional products or services, which we, in our sole and absolute discretion, may elect to market separately or through the System on either an optional or mandatory basis. We retain the right to make these changes to the System as we deem appropriate, including changes to the Marks, the Confidential Information and the following:

10.3.1 Additional Products/Services. We shall have the right occasionally to designate additional mandatory products or services to better service the customers or market. You shall have a reasonable period of time, not to exceed 60 days following notice from us, to begin offering any additional designated mandatory products or services.

10.3.2 Computer System. Notwithstanding the preceding, we maintain the right to require you to update or upgrade the software, POS or computer system that you must maintain pursuant to the terms of the Manual by giving you three months' notice of the required change

10.3.3 Other Marks. We reserve the right to adopt new, additional or modified Marks, in which event, at our directive, we shall adopt, use and display only those Marks specified by us and shall promptly discontinue the use and display of outmoded or superseded Marks.

10.3.4 Implementation. All these changes, additions or revisions as provided for in this Section 10.3 shall be binding on you, and you must adopt and implement all these changes at your own expense as though they were part of the System at the time of the signing of this Agreement; provided. These changes may affect your rights and financial obligations. Any changes, addition or revisions may include a new fee that you must pay to us.

10.4 Variances. We may occasionally approve exceptions or changes from the uniform standards of the System that we, in our sole absolute discretion, believe necessary or desirable under particular circumstances. You understand that you have no right to object to or automatically obtain these variances, and that any exception or change must be approved in advance by us. You also understand that some franchisees may operate under different forms of agreements, and consequently the rights and obligations of these franchisees may differ materially from yours.

10.5 Covenant Not to Compete.

10.5.1 Covenant. Your activities pursuant to this Agreement will enable you to learn details about the System and our business operations, to profit from the goodwill associated with the System, and to generate a prospective and actual customer base for the Franchise Business due to this goodwill. You recognize that the System is very competitive, is intended to become national in scope, and that we have a strong legitimate interest in protecting essential aspects of the System, including the integrity of the System, our Confidential Information entrusted to you, continued servicing of customers using the System, and our revenues. You agree that, without our express prior consent, which we may withhold in our absolute discretion, you, any Designated Representative and any of your officers, directors, owners of any ownership interest in You (collectively, "**Key Individuals**"), will not, during the Time Period (as defined below), directly or indirectly, engage in, render services or provide financing to, or have any interest in, any business that derives more than 50% of its revenues from the sale of ready-to-eat frozen dessert or ice products (a "**Competitive Business**") located or conducting business within the Area (as defined below). You will not during the term of this Agreement or for a period of 180 days after the termination or expiration of this Agreement, for a period of 180 days, refer or promote to any former or current customer the operation of any other business at the site, nor will you promote the operation of any Competing Business in the Area during the Time Period, as defined below.

A. Time Period. For the purposes of Section 10.5.1 of this Agreement, the term "**Time Period**" shall mean (a) for the period of time that this Agreement is in effect; and

(b) after the Assignment or Termination of this Agreement for any reason, for a period of two years after all Key Individuals associated with you have ceased engaging in any Competitive Business.

B. Area. For the purposes of Section 10.5.1 of this Agreement, the term "**Area**" shall mean (a) the county in which your Franchise Business is located, (b) the State in which the Franchise Business is located and (c) United States for the period of time that this Agreement is in effect or, after the Assignment or Termination of this Agreement for any reason shall mean (d) your Territory, and (e) the county in which your Franchise Business is located.

10.5.2 Modification. The covenant set forth in Section 10.5.1 shall be construed as independent of any other covenant or provision of this Agreement. We reserve the right to reduce the scope of the obligations under the covenant unilaterally and without the consent of any other person or entity, effective upon giving notice. If any restriction contained in Section 10.5.1 is found by a court of competent jurisdiction to be unlawful as to scope or duration or otherwise invalid, it is the parties' intention that Section 10.5.1 not be declared ineffective in its totality, but that the provision be declared invalid only to the extent of the illegality, and that the court define acceptable limits to this provision, which shall continue, as so revised, in full force and effect. Following the court's ruling, this Agreement shall automatically be deemed amended to restate the limits of the restriction accordingly.

10.6 Execution of Confidentiality Agreement and Noncompetition Agreement. You agree, at our request, to sign and to have any Key Individuals sign an agreement in form and substance substantially in the form of attached as Exhibit 3 (the "**Confidentiality Agreement and Noncompetition Agreement**"), containing substantially the same provisions as are set forth in this Section 10, which may be separately and independently enforced by us. The Confidentiality Agreement and Noncompetition Agreement must be signed before a person has access to any Confidential Information or has begun any training for the Franchise Business. You must provide a copy of the signed Confidentiality Agreement and Noncompetition Agreement, along with any new employee information required in the Manual, when submitting your monthly reports to us.

10.7 Liquidated Damages. Upon any breach of Section 13, you will pay us $50,000 for each site operated in breach of Section 13 plus 6% of the gross sales from all products and services sold by or from a site operated in breach of Section 13, whether from on-site or off-site sales. We agree that these amounts are due as liquidated damages and not as a penalty.

11. TERM AND RENEWAL.

11.1 Term. The term (the "**Term**") of this Agreement is 10 years commencing on the Effective Date, unless sooner terminated as provided in Section 13.

11.2 Renewals. Upon the expiration of the Term, if you are in Good Standing, you shall have perpetual options to renew the franchise for a term of 10 years in each case (the "**Renewal Term(s)**"). Exercise of the renewal option shall be subject to the following conditions:

11.2.1 Notice. You shall exercise the renewal option by notice to us given not less than two months, and not earlier than sixth months, before the expiration of the then current Term or Renewal Term. Your failure to give timely notice shall be deemed a rejection of the renewal option.

11.2.2 Upgrading. We may, at our option, require as a condition to renewal that you perform specified upgrading and/or renovation of the Franchise Business to conform to the

current standards and image required of then new BAHAMA BUCK'S retail businesses. After renewal of this Agreement, you must upgrade or renovate within six months after receiving notice of the current standards from us.

11.2.3 Renewal Fee and Contract. After compliance with all applicable laws, you shall pay us a renewal-processing fee of $7,500 and shall sign our then current form of franchise agreement, which may contain materially different terms including a reduction in territory size, except that the initial franchise fee shall be waived. You agree that your failure to sign the then current form of franchise agreement is good cause for our refusal to renew your franchise.

11.2.4 Releases. You shall sign general releases of all claims related to this Agreement, subject to your continuing obligations as described in Section 13.6, and subject to an exception for any claim as to which either party has previously given the other notice.

11.3 Temporary Continuation. If you continue to operate the Franchise Business following expiration, either party shall construe this continuation to be an extension only from month-to-month, governed by all of the provisions of this Agreement, and terminable without cause on 30 days' notice. Notwithstanding any month-to-month extension, any continuance of business relations between us and you after the termination or expiration of this Agreement will not constitute, and may not be construed as, a reinstatement, renewal, extension beyond a month-to-month arrangement or a good faith expectation for continuation of the Agreement unless you and us agree in writing to such renewal, extension or continuation.

12. ASSIGNMENT.

12.1 Assignment by Franchisor. We may transfer and/or delegate any or all of our interests, rights and/or obligations under this Agreement, in whole or in part, directly or indirectly by the transfer of assets, stock, merger, acquisition, pledge or otherwise, without your notice or consent. If there is a transfer of all our rights, interests and obligations under this Agreement, we shall have no obligations or liability to you with respect to anything occurring after the transfer.

12.2 Right of First Refusal. If you desire to sell or assign the Franchise Business, you shall first give us notice setting forth all of the terms and conditions of the proposed Assignment and all available information concerning the proposed buyer, together with copies of any written offer and all related documentation. Within thirty business days after receipt of this notice and documentation, we may, at our option, elect to purchase the Franchise Business for ourselves or our nominee (which must be no less financially qualified than us or the proposed buyer) upon the terms and conditions specified in the offer, subject to a set off of all amounts owed by you to Bahama Buck's. If we decline to exercise our right within the time specified, you may sell or dispose of the Franchise Business to an approved assignee (but not at more favorable terms than those offered to us) provided that all of the conditions of Section 12.3 are satisfied. If you do not sell the Franchise Business within six months from the date it is offered to us, then you must re-offer it to us before any Assignment. The provisions of this Section 12.2 shall not apply to an Assignment made in compliance with Sections 12.4, 12.5 or 12.6.

12.3 Assignment by Franchisee. This Agreement is entered into by us in reliance upon and in consideration of the singular moral and personal character, personal and business skills and qualifications, financial resources and capacity, and representations of, and the trust and confidence reposed in, you the Designated Representative and your officers, directors and owners. Accordingly, except as otherwise provided in this Section 12, you may not assign,

transfer, sell, convey, share, pledge, mortgage or encumber, directly or indirectly, by operation of law or otherwise, in any manner (an "**Assignment**"), your rights or privileges under this Agreement in whole or in part, or all or a material part of the assets of the Franchise Business, without our prior consent. Under no condition may you sublicense your rights under this Agreement. You must obtain our commercially reasonable consent to any broker or transfer agent that you wish to use. You must not use any of the Marks in any listing for Assignment without our prior written approval. You must obtain our prior written approval of any advertising for any Assignment. Consent to an Assignment upon specified terms and conditions shall not be deemed consent to an Assignment upon any other terms or conditions, nor to any other subsequent Assignment. This consent shall not be unreasonably withheld; provided, however, that you must be in Good Standing, and it shall not be unreasonable for us to impose the following conditions precedent to our consent to any Assignment:

12.3.1 Compliance with Law. The Assignment shall have been conducted in compliance with all applicable laws, and the proposed assignee shall have secured all governmental permits and licenses required to operate the Franchise Business.

12.3.2 Qualified Assignee. You must demonstrate in Bahama Buck's sole discretion that the proposed assignee, and your Designated Representative, directors, officers, and owners, satisfy all the then current qualifications for new franchisees, and possess good moral character and reputation, sufficient business experience, including management and sales skills, the aptitude, financial resources and ability to conduct the Franchise Business, an excellent credit history and rating, and adequate financial resources to fulfill all obligations with respect to the Franchise Business and to the selling Franchisee and Bahama Buck's.

12.3.3 Obligations to Bahama Buck's. You must satisfy all other obligations to us, including payments of all fees due to us and payments to us for all products or items purchased from us or the proposed assignee must have expressly assumed all of your obligations. The proposed assignee shall have also appointed a Designated Representative, assumed all other agreements pertaining to the Franchise Business (and all third parties to these agreements shall have consented to these assumptions), and shall have complied with Section 12.6, and delivered the Guaranties as provided for in Section 7.15.

12.3.4 Training. The proposed assignee shall have successfully completed the initial training program as provided in Section 8.5.

12.3.5 Remodeling. We may, at our option, require as a condition to Assignment that the proposed assignee agree to perform specified remodeling, upgrading and/or renovation of the Franchise Business, including Mobile/Satellite Units and equipment, to conform to the current standards and image then required for new BAHAMA BUCK'S retail businesses. The proposed assignee must upgrade or renovate within two months after receiving notice of the current standards from us.

12.3.6 Disclosure Request and Indemnification. You must request that we provide the prospective franchisee with the current form of franchise disclosure document at least fourteen calendar days before the closing. You hereby indemnify us for any representations you make to any transferee.

12.3.7 Franchise Agreement. The proposed assignee shall sign our then current form of Franchise Agreement and any standard ancillary agreements, which may contain materially different terms except that the initial franchise fee shall be waived and the term shall be only the remaining current term of this Agreement.

12.3.8 Assignment Fee. You shall have paid our nonrefundable Assignment fee of $7,500, payable upon our approval, to cover our costs of evaluating and training the assignee, as well as our legal and other expenses in connection with the Assignment, including credit investigation and administrative overhead costs.

12.3.9 Releases and Subordination. You and Bahama Buck's shall have signed a mutual general release of all claims related to the grant and performance of this Agreement and the operation of the Franchise Business, subject to your continuing obligations as described in Section 13.6, and subject to an exception for any claim as to which either party has previously given the other notice. You shall also have subordinated your rights to all payments from the assignee to all obligations of the assignee to us.

12.3.10 Reaffirmation of Covenant Not to Compete. You shall reaffirm the covenants contained in this Agreement and in the Confidentiality Agreement and Noncompetition Agreement that you signed.

12.3.11 Right of First Refusal. You shall have first offered to sell the Franchise Business to us in accordance with Section 12.2.

12.4 Death or Disability of Franchisee.

12.4.1 Option. In the event of the death or permanent disability or incapacity of any individual Franchisee, or the Designated Representative, or owner, this person's executor, administrator, personal representative, successor, trustee or heir shall have the option as provided in Section 12.4.2 to succeed to the interest owned by this individual in accordance with the provisions of the person's last will or any buy-sell agreement controlling the issue of succession on death.

12.4.2 Conditions. The option shall be exercised by the successor by notice to us within 60 days from the date of death or incapacity and, unless excused by us, is further subject to your being in Good Standing and the satisfaction of the conditions of Sections 12.3.1, 12.3.2, 12.3.3 and 12.3.7. An Assignment made pursuant to this Section 12.4 shall not otherwise be subject to the conditions of Section 12.3.

12.4.3 Failure to Exercise Option or Satisfy Conditions. If this successor fails to exercise the option within the time specified, or fails to meet the conditions, then if temporary arrangements for the operation of the Franchise Business are made to our satisfaction in our sole absolute discretion, the successor shall have a reasonable period of time, not to exceed 120 days, in which to sell the Franchise Business, subject to all of the conditions set forth in Section 12.3, and if no approved Assignment has occurred, we may, in our discretion, terminate this Agreement.

12.5 Franchisee's Incorporation. We require under Section 2.1(iii) and expressly consent to an Assignment of this Agreement by an individual Franchisee to a corporation or other legal entity, without payment of any Assignment fee, provided that you become the Designated Representative of your entity, and that the conditions of Sections 12.3.1 and 12.6.1 and the following additional conditions have been satisfied:

12.5.1 Entity Liability. The entity shall have signed a document satisfactory to us agreeing to assume and be bound by all of the provisions of this Agreement; the entity shall have assumed all other agreements pertaining to the Franchise Business, and all third parties to these agreements shall have consented to these assumptions; and the entity shall have

submitted to us a certified copy of the resolution of its governing body approving the signing of this Agreement and the assumption of all obligations relating to the Franchise Business.

12.5.2 Guaranty. The original individual Franchisee (and his or her spouse, if applicable) shall remain personally liable in all respects under this Agreement and, if requested by us, shall sign both a Guaranty substantially in the form of Exhibit 2 to this Agreement and a subordination of their rights to all payments from the entity to all obligations of the entity to us.

12.6 Corporate or Other Legal Entity Franchisee.

12.6.1 Owners. A Franchisee that is a legal entity shall provide us with a list of all owners (showing the percentages owned), officers, directors, managing partners and/or managers of the entity and shall keep this information current at all times. All ownership certificates of a Franchisee that is a legal entity shall bear a legend stating that transfer of the certificates is restricted and subject to the terms of this Agreement. Upon our request, each owner and the owner's spouse shall sign an acknowledgment of the restriction on the right to transfer ownership interests in the entity. Key Individuals shall also be required to sign the Confidentiality Agreement and Noncompetition Agreement as provided in Section 10.5.3, and all direct and indirect owners of a 25% or greater interest in Franchisee must sign a Guaranty as provided in Section 7.15.

12.6.2 Change of Ownership. If you are a legal entity, then while this Agreement is in effect you shall notify us of any Assignment of ownership interests, including any Assignment of the legal, beneficial or voting rights. Any Assignment, which together with all prior Assignments constitutes an Assignment of 25% or more of the ownership interests in Franchisee, shall constitute an Assignment subject to the conditions of Section 12.3.

13. DEFAULT, EXPIRATION AND TERMINATION.

13.1 Termination by Mutual Consent. This Agreement may be terminated at any time upon the mutual written consent of the parties.

13.2 Termination by Franchisee for Breach by Bahama Buck's. If you are in Good Standing, you may at your option terminate this Agreement for a default or breach of this Agreement by us effective 60 days after giving us notice specifying the default or breach if we fail to cure the default or breach within the 60 day period. The time period in this paragraph is subject to extension as provided in Section 13.4.

13.3 Termination by Bahama Buck's for Breach by the Franchisee.

13.3.1 Acts of Default. Upon the occurrence of any of the following material defaults by you, we, at our option, may terminate this Agreement without waiving or diminishing any other remedies we may have:

A. If you fail to make any payment when due under this Agreement or any other agreement between you and us or any of our affiliates;

B. If you, in our sole judgment, fail to pass our sanitary or appearance standards as detailed in the Manual;

C. If you fail to open a BAHAMA BUCK'S retail business within twelve months of the Effective Date (except when an extension has been granted by us) and commence business on time;

D. If you fail to complete the initial training program to our satisfaction;

E. If you, in our sole judgment, are unable to adequately operate the BAHAMA BUCK'S retail business under the requirements and standards in the Manual;

F. If you fail to comply with any federal, state or local law or regulation applicable to the operation of the BAHAMA BUCK'S retail business;

G. If you fail or refuse to comply with any mandatory specification, standard or operating procedure prescribed by us;

H. If you or any of your affiliates default in the performance of any other obligation under this Agreement or any other agreement with us or any of our affiliates, including violating the terms of the Noncompetition Agreement;

I. If you transfer any part of the business without our prior consent as provided for in Section 12.3;

J. If you fail or refuse to submit any report when due or to make your records available to us;

K. If your licenses to operate are suspended or revoked, you fail to keep your contractual obligations to third parties, become insolvent, fail to pay taxes when due, make a general assignment for the benefit of creditors or file a petition in bankruptcy;

L. If you engage in any business activity that is in violation of this Agreement or any other agreement with us;

M. If you misuse the Marks, the Confidential Information or any other part of the System or engage in conduct which reflects unfavorably upon the goodwill associated with them, or if you use in the Franchise Business any names, marks, systems, logotypes or symbols that we have not authorized you to use;

N. If you cease to operate the Franchise Business for any amount of time outside of normal business hours without obtaining our consent, unless: (i) an exception has been granted by us; (ii) operations are suspended due to a nationally recognized holiday; or (iii) the suspension was caused by an act of God or disaster not within your control and your Franchise Business is not closed for more than one month;

O. If you, your owners or your Designated Representative have made any misrepresentation in connection with the acquisition of the Franchise Business or to induce us to enter into this Agreement;

P. If you breach this Agreement a third time after twice being requested by us to correct any type of breach of this Agreement in any rolling twelve month period;

Q. If you are convicted of a felony or any criminal misconduct which is relevant to the operation or reputation of the Franchise Business;

R. If you engage in any conduct that results in more than five complaints from customers within a three-month period;

S. We have a good faith rational belief that you will cease to operate the Franchise Business on a particular day, including but not limited to, notice from your landlord that your lease will terminate on a particular day or notice from you of your intention to close your Franchised Business.

13.3.2 Notice of Default. Termination will be effective five business days after notice is given to you if the default described in Paragraphs A or B of Section 13.3.1 has not been cured within that time period. Any refusal to accept delivery will not postpone the effective date of delivery. Termination will be effective thirty days after notice of default is given to you if any default described in Paragraphs C through M of Section 13.3.1 above has not been cured within that time period, subject to extension as provided in Section 13.4. Termination will be effective immediately upon notice to you if any default described in Paragraphs N through R of Section 13.3.1 occurs. Termination will occur on the day that you cease operating for a default under Paragraph S of Section 13.3.1. If we have given you formal notice of a default or termination, then we have the right to suspend our performance of any of our obligations under this Agreement, in addition to our other remedies, during the time in which you are curing the default or in the event that the default is not cured. The description of any default in any notice we transmit to you will in no way preclude us from specifying additional or supplemental defaults under this Agreement or any related agreements in any action or proceeding relating to this Agreement or termination of this Agreement. Our right to suspend our obligations to you includes but is not limited to, the right to suspend sales of any products, to stop providing any services to you and to not provide access to our confidential materials or software.

13.3.3 Retraining Program. At our sole discretionary option, as a condition of curing any default which is able to be cured, we may require you to complete a retraining program composed of the then current initial training and/or any specialized training on the area in which you were in default of this Agreement or any other agreement with us. You shall pay us our then current initial training costs and shall also be responsible for your travel, lodging, food and other personal expenses incurred for you and any of your Designated Representatives or your employees in attending the retraining.

13.4 Extended Cure Period. If there is a default under a provision of this Agreement which permits time to cure, if the default by its nature cannot reasonably be cured within the specified cure period, the defaulting party shall be entitled to additional time to cure (not to exceed 60 additional days) as the other party in its sole subjective judgment exercised in good faith deems reasonable, provided that the defaulting party has commenced action to cure the default within the initial cure period and continue diligently to accomplish the cure. This extension shall not be applicable if the default is the failure to pay money due and owing, or if the default is caused, directly or indirectly, by the defaulting party's financial inability, gross negligence or willful misconduct.

13.5 Rights and Obligations upon Expiration or Termination. Upon the early termination or the expiration and non-renewal (an event referred to as a "**Termination**"), or the Assignment, of this Agreement:

13.5.1 Payment. You shall pay us immediately upon the Termination or Assignment of this Agreement, all Royalty Fees and any other amounts owed to us, including any interest or late fees due to us, in accordance with our instructions.

13.5.2 Cease Use of Marks.

A. Rights Terminated. All rights granted to you shall immediately terminate. You shall immediately cease to have the right to use, by advertising or in any manner whatsoever, or perform, any recipe, formula, format, methods, procedures and techniques associated with the System or the Manual. You shall not hold yourself out to the public as a present or former franchisee.

B. No Use of Marks. You agree that, immediately after any Assignment or Termination, you will cease and terminate all use of the Marks and the words BAHAMA BUCK'S in any manner whatsoever, or any colorable imitation, including identification on the retail business, equipment, and clothing, and you will take any steps necessary to disassociate yourself from the Marks including the withdrawal of all advertising matter, the destruction of all stationery supplies, and the removal of all signs and any other articles which display the Marks or trade dress associated with the System. You agree that you will not use any reproduction, counterfeit, copy or colorable imitation of the Marks in connection with any other business or its promotion, and agree not to utilize any trade dress or designation of origin or description or representation which falsely suggests or represents an association or connection with us or the System.

C. Telephone Numbers. You further agree to change your telephone numbers and listings and instruct the telephone company and all publishers of telephone directories to transfer the telephone number(s) and listing(s) under which you received calls for the Franchise Business to us or a third party designated by us. If you do not transfer the telephone number(s) and listing(s), by signing of this Agreement you direct the telephone company and all listing agencies to accept this Agreement as conclusive evidence of the exclusive rights of Bahama Buck's in these telephone number(s) and listing(s) and our right to direct the transfer of the same to ourselves.

D. Cancellation of Assumed Name. You shall take any action as shall be necessary to cancel any assumed name or equivalent registration which contains the words BAHAMA BUCK'S or any other Mark of Bahama Buck's.

13.5.3 Return of Manual. You shall immediately turn over to us, the Manual and all other records, files, instructions, and any and all other materials relating to the operation of the Franchise Business in your possession, and all copies (all of which are acknowledged to be our property), and shall retain no copy or record of any of the foregoing, excepting only your copies of the Franchise Disclosure Document and this Agreement, and of any correspondence between the parties, and any other documents which you reasonably need for compliance with any provision of law.

13.5.4 Lease. We may, at our option, assume the real estate lease, if applicable, for the site of the Franchise Business as provided in Section 3.4. If you own the site of the Franchise Business, then we do not hold an option to purchase or lease the site from you upon Expiration or Termination of this Agreement.

13.5.5 Purchase.

A. Bahama Buck's Option. Upon Termination of this Agreement, we shall have the right, but shall not be obligated, to purchase from you any or all of your leasehold improvements, fixtures, equipment, furniture, furnishings, supplies, inventory and the building. We shall give notice to you of our intention to purchase any or all of these assets

within 15 business days after the effective date of Termination, specifying the assets to be purchased. The assets shall be sold, and the purchase price paid, within 10 business days after the price is established. Subject to setoffs as provided in Paragraph C of Section 13.5.5, below, the assets shall be sold to us free and clear, at their separate fair market value, without regard to the values of assets not purchased or otherwise acquired by us by the termination of your license or foreclosure of our security interests, to be determined by agreement between Bahama Buck's and you.

B. Appraisal. If you and Bahama Buck's are unable to agree upon a fair market value within seven days of our notice, fair market value shall be determined by appraisal. If you and Bahama Buck's cannot agree on an appraiser, each shall select one, and if the two appraisers so selected are unable to agree upon a fair market value within seven days of their appointment, then the two appraisers shall appoint a third. If the third appraiser agrees with either of the two originally appointed appraisers, the value so established is binding on you and Bahama Buck's. If there is no agreement, then the fair market value shall be the average of: (i) the middle appraisal with a value between the highest and lowest values of the three appraisals and (ii) the appraisal with the value closest to the value of the middle appraisal. Each party shall be responsible for the costs of the appraiser it selects. The costs of a single appraiser, or the third appraiser, and all other costs of appraisal, shall be divided equally.

C. Setoffs. The purchase price payable by us to you under this Section 13.5.4 shall be reduced by all amounts owed by you to us under this or any other agreement, and by the unpaid balance of the purchase price with respect to any of the assets purchased, or if any of these assets are subject to a lien, by the balance due on the underlying indebtedness, together with any interest or other charges to be paid in order for us to acquire these assets free and clear. If the amount due with respect to any asset exceeds its fair market value you shall remain solely liable for the difference.

13.5.6 Substantiation. You must furnish to us, within 30 days after our request, evidence satisfactory to us that you have complied with the requirements of this Agreement pertaining to obligations upon expiration or termination

13.6 Continuing Obligations. Following Termination of this Agreement, you shall remain fully liable for all obligations which by their terms and nature are intended to survive, and for all obligations incurred in the operation of the Franchise Business before this Termination, including obligations arising under the following Sections and Sections 6, 7.10, 7.12, 7.14, 13, 9.8, 10.1, 10.5, 10.6, 13.5 and 14. Furthermore, the provisions of Sections 6, 10.1, 10.5 and 10.6 shall be enforceable notwithstanding the existence of any claim or cause of action whatsoever of you against us.

14. ENFORCEMENT.

14.1 Choice of Law, Venue and Jurisdiction. This Agreement takes effect upon our acceptance and signing in Lubbock, Texas. You acknowledge the benefits and desirability of having the entire System governed by one body of law applied uniformly and acknowledge that the provisions of Sections 14.1.1 and 14.1.2 are reasonable.

14.1.1 Applicable Law. Except to the extent governed by the U.S. Trademark Act, 15 U.S.C. §§ 1051 *et seq.*, this Agreement shall be interpreted and construed under and governed by the laws of the State of Texas applicable to agreements made and to be entirely performed in Texas, which laws shall prevail without regard to, and without giving effect to, the application of any conflict of law rules; provided, however, that the application of Texas law shall

not abrogate or reduce any of your rights provided for under the existing laws of any other jurisdiction which by their terms apply and supersede Texas law.

14.1.2 Venue and Jurisdiction. You and Bahama Buck's consent and irrevocably submit to the jurisdiction and venue of any state or federal court of competent jurisdiction located in the county of our principal place of business, currently Lubbock County, Texas, and waive any objection to the jurisdiction and venue of these courts. This choice of venue and jurisdiction does not preclude the bringing of any action by the parties as provided in Sections 14.3 and 14.4, or the enforcement of any judgment obtained, in any other appropriate jurisdiction, or the right of the parties to confirm or enforce any arbitration award in any appropriate jurisdiction. The provisions of this Section 14.1.2 are subject to applicable superseding law as provided in Section 14.1.1.

14.2 Contractual Statute of Limitations. Any and all claims and causes of action arising out of or relating to this Agreement (including the offer and sale of this Agreement), the relationship of you and Bahama Buck's, or your operation of the Franchise Business, by any party against the other, shall be deemed waived, released and barred unless notice of claim or cause of action is given, or arbitration or an action is commenced upon this claim or cause of action, within two years from the occurrence of the facts giving rise to this claim or cause of action; provided, however, that the foregoing limitation shall not prevent us from terminating this Agreement if we otherwise has the right to do so.

14.3 Injunction. Nothing in this Agreement will prevent you or us from obtaining temporary or preliminary restraining orders and temporary or preliminary injunctive relief in a court of competent jurisdiction. However, you and Bahama Buck's must contemporaneously submit the dispute for arbitration on the merits. You recognize that you are a member of a franchise System and that your acts and omissions may affect the other businesses operating under the Marks. Your failure to comply with the terms of this Agreement is likely to cause irreparable damage to us and to some or all of our other franchisees. For this reason, you agree that if we can demonstrate to a court of competent jurisdiction that there is a substantial likelihood of a breach or threatened breach of any of the terms of this Agreement by you, we will be entitled, without posting a bond, to a temporary restraining order or preliminary injunction enjoining the breach and/or to a decree of specific performance, without having to show or prove any actual damage.

14.4 Arbitration.

14.4.1 Submission. Any controversy or claim arising out of or relating to this Agreement or any incorporated documents or related agreements must and will be submitted to binding arbitration in Lubbock County, Texas, administered by the American Arbitration Association under its Commercial Arbitration Rules, including its Rules for Emergency Measures of Protection. Arbitration is the sole remedy and is a substitute for legal relief in the courts; provided, however, that claims regarding the ownership and/or validity of the Marks or their registration must not be subject to arbitration. You must notify us of your underlying issues at least 30 days prior to filing for arbitration and you also agree to discuss the issues with us at least once before this filing. Notwithstanding the foregoing, we may, without waiving any remedy under this Agreement, elect to bring any claim for injunctive or other provisional relief to compel your compliance under this Agreement, to protect the System or Marks, or to assert our rights with respect to interests in real estate, in any court having jurisdiction, and may join with this claim any other claims which arise out of the same acts or omissions, and we may take such actions before, during or after any arbitration. If there is any question as to whether a claim is subject to arbitration, then the decider of the first open action must and will decide this issue

such that if an arbitration was the first action to have been filed, the arbitrator must and will make such determination and if a party has first sought provisional injunctive relief from a court of competent jurisdiction, then that court shall decide if a claim is subject to arbitration.

14.4.2 Parties. The parties to each arbitration case shall be limited to Bahama Buck's and a single Franchisee and any persons or entities vicariously liable. You may not bring any claim in a representative capacity for other franchisees and separate arbitration cases shall not be consolidated. Subject to state law, you agree that any arbitration award will not be pursued on a class action basis and you waive any rights to a class action arbitration. This section's provisions are intended to benefit and bind certain third-party non-signatories and will continue as an effect after expiration or termination of this Agreement.

14.4.3 Arbitrator(s). Any dispute submitted to arbitration involving a monetary claim or consequences to either party of less than $25,000 shall be heard and determined by one independent arbitrator having no relationship with either party, unless the parties agree or the American Arbitration Association directs pursuant to its rules that three arbitrators be appointed. If possible, all arbitrators shall have franchise law experience or be former or retired federal or state court judges. Each of us agree to pay half of the upfront arbitration fees regardless of the number of officers or owners from either side that are also named in the arbitration demand. If either party fails to pay their portion of the arbitration fees, both parties agree that the arbitration panel may impose sanctions such as limiting discovery requests, not considering evidence submitted by the non-paying party, and awarding default judgment in favor of the paying party along an award of damages.

14.4.4 Discovery. The parties shall be entitled to conduct discovery of the types provided by the Federal Rules of Civil Procedure if deemed reasonably necessary by the arbitrator(s) consistent with the expedited nature of arbitration, and the arbitrator(s) may impose the sanctions of those rules for noncompliance. Both of us agree that, in any arbitration arising as described in this Section requests for documents shall be limited to documents (including electronic documents) that are directly relevant to significant issues in the case or to the case's outcome, shall be restricted in terms of time frame, subject matter and persons or entities to which the requests pertain, and shall not include broad phraseology such as "all documents directly or indirectly related to." For electronic document discovery requests, both of us agree that:

A. The production of electronic documents will be made on the basis of generally available technology in a searchable format which is convenient and economical for the party producing the documents and also usable by the party receiving the documents.

B. Unless there is a showing of compelling need, as determined by the arbitrator, the parties are not required to produce metadata, with the exception that the header fields of email correspondence may be produced.

C. Production of electronic documents need only be from sources used in the ordinary course of business. No documents shall be required to be produced from back-up servers, tapes or other media.

D. Only individuals whose electronic documents are reasonably expected to contain evidence that is material to the dispute shall be named as custodians and requested to provide such electronic documents.

E. When the costs and burdens of electronic discovery are disproportionate to the nature of the dispute or to the amount in controversy, or to the relevance of the materials requested, the arbitrator shall either deny such requests or order disclosure on the condition that the requesting party advance the reasonable cost of production to the providing side. Such production costs may be part of the allocation of the costs in the final arbitration award.

14.4.5 Award. The final award of the arbitrator(s) shall be accompanied by a reasoned opinion. Any interim, interlocutory, or partial rulings, orders, and awards may be enforced through any court having jurisdiction, and judgment on the final award rendered by the arbitrator(s) may be confirmed as a judgment in any court having jurisdiction.

14.5 Waivers.

14.5.1 No Implied Waivers. No failure or delay by either party to act on any power reserved to it by this Agreement, or to insist upon strict compliance by the other party with any obligation or condition and no custom or practice of the parties at variance with the terms of this Agreement shall constitute a waiver of the right to demand exact compliance with any of its terms. Waiver by one party of any particular default by the other party shall not affect or impair the rights with respect to any subsequent default of the same, similar or different nature. Acceptance by us of any delinquent or partial payments due to it shall not be deemed to be a waiver by us of any breach by you of any terms, covenants or conditions of this Agreement.

14.5.2 Waiver of Jury Trial. You and Bahama Buck's each irrevocably waive trial by jury in any action, proceeding or counterclaim, whether at law or in equity, brought by either you or Bahama Buck's.

14.5.3 Waiver of Class Actions. Any dispute, arbitration or court action will be heard and resolved on an individual basis only and not a class-wide, multiple plaintiff or similar basis. This proceeding will not be consolidated with any other proceeding involving any other person, except for disputes involving affiliates of the parties. If there is any question as to whether a class action claim is subject to arbitration on an individual or class basis, then the decider of the first open action shall decide this issue as further explained in Section 14.4.1 above.

14.5.4 Damage Waivers. Except for your obligations to indemnify us pursuant to Section 9.13 of this Agreement and claims for unauthorized use of the Marks or the Manual, you and Bahama Buck's will each be limited to equitable relief and recovery of any actual damages it sustains, and each waives to the fullest extent permitted by law any right to, or claim for, any punitive or exemplary damages against the other.

14.6 Right of Bahama Buck's To Cure Defaults. In addition to all other remedies granted, if you default in any of your obligations or breach any term or condition of this Agreement or any related agreement pertaining to or concerning the franchise granted , we may, at our election, immediately or at any time without waiving any claim for breach ,cure these default(s) for the account, and on behalf, of you, and the cost to us shall be due and payable by you to us on demand. We shall not be responsible to you for any loss or damage resulting in any manner by reason of our undertaking in good faith any acts to cure any default(s) by you.

14.7 Attorneys' Fees and Costs. The prevailing party in any arbitration or litigation to enforce the terms of this Agreement or defend any action or proceeding relating to it shall be entitled to receive all costs, expenses and reasonable attorneys' fees incurred or paid.

14.8 Remedies Cumulative. No right or remedy conferred upon or reserved to us or to you by this Agreement is intended to be, or shall be deemed, exclusive of any other right or remedy under this Agreement or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

14.9 Severability. If any term or provision of this Agreement is declared to be invalid or unenforceable for any reason, the provision shall be modified if necessary to make it enforceable, or if it cannot be so modified, then severed, and the remaining terms of this Agreement shall remain in full force and effect, and it is declared the intention of the parties that they would have signed the Agreement as so modified.

15. MISCELLANEOUS.

15.1 Relationship of Parties. You are an independent contractor, not our legal agent, legal partner or employee. Neither party is the legal representative or agent of, or has the power to obligate (or has the right to direct or supervise the daily affairs of) the other for any purpose whatsoever, and no partnership, joint venture, agency, or employment or fiduciary relationship is intended or created by reason of this Agreement except for our disclosure of the Confidential Information to you in trust. You further acknowledge that you are solely responsible for your employment policies, including locating, hiring, training, scheduling, hours worked, promotion, pay rates, benefits, discipline, complaints, and grievances, working conditions, supervising or terminating any employees and independent contractors needed to provide products and services to customers in the Territory. While we may provide training to your employees prior to a location opening or certified training at our corporate office, and while we may make employment or staffing recommendations, we have no right to control your employment practices and policies except to require that you must adhere to our System standards in your Franchised Business. You must make it clear to your employees that you are their employer, not us.

15.2 Notices.

15.2.1 Addresses. All communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given when delivered personally, or one business day after being sent prepaid by overnight commercial courier service for next business day delivery, one day after being sent by email provided no message is received that the email was undeliverable (in which case, an alternative form of delivery must be used) or five days after being deposited in the United States mail, for certified or registered delivery, return receipt requested, postage prepaid. Any refusal to accept delivery will not postpone the effective date of delivery. Any notice to us shall be addressed to:

BAHAMA BUCK'S FRANCHISE CORPORATION
5741 50th Street
Lubbock, TX 79424

Any notice to you may be addressed to your Designated Representative at the address of the Franchise Business or the home address of any individual Franchisee or to the address of the primary correspondent for a group of owners if you are a legal entity with multiple owners, as stated in Exhibit 1 or to the last known email address of any of the above parties. Either party

may designate another address at any time by appropriate notice to the other. All payments and regular reports required to be made by you shall be delivered to us at the above address, but need not be sent by certified or registered mail.

15.2.2 Disclosure. You shall promptly notify us of all changes to the addresses referenced in Section 15.2.1 relating to you. We are authorized to disclose and publish the addresses and telephone numbers provided pursuant to Section 15.2.1, and any changes to them, as required by law.

15.3 Time. Time is of the essence of this Agreement with respect to each and every provision in which time is a factor. Wherever this Agreement refers to a period of days, the first day to be counted shall be the first day following the designated action or event; and for any period of five or fewer days, only business days (excluding Saturdays, Sundays and national holidays) shall be counted. Unless expressly stated otherwise, periods longer than five days shall be measured by calendar days, except that if the last day of this period is not a business day, the period shall automatically be extended to the next business day.

15.4 Interpretation.

15.4.1 Entire Agreement. All of the Exhibits to this Agreement are hereby incorporated herein by reference. Except for or other than those representations contained in the Franchise Disclosure Document previously delivered to Franchisee, this Agreement, including its Exhibits and the documents expressly referred to herein but not including any third party leases, sets forth the final and complete agreement between the parties with respect to the subject matter hereof, and it completely supersedes all prior negotiations, and oral and written agreements and understandings between the parties pertaining to the subject matter hereof, except that nothing in this Agreement or in any related agreements is intended to disclaim the representations Franchisor has made in the franchise disclosure document.

15.4.2 Amendments. Except as otherwise expressly provided, this Agreement may be amended only by a document signed by the party sought to be charged with this amendment. This limitation on modification is not subject to oral rescission, modification or waiver.

15.4.3 Bahama Buck's Approval. In all cases where our prior approval is required and no other method or times for obtaining this approval is prescribed, you shall request this approval in writing, and we shall notify you in writing of our decision within ten business days after receiving your written request and all supporting documentation. Except as otherwise expressly provided in this Agreement, whenever our consent or approval is required, the consent or approval must be in writing and may be withheld only in our reasonable discretion. If we have the right to exercise our sole, absolute or reasonable discretion then we both agree that an arbitrator will consider any business reason to be viewed as a reasonable and proper exercise of such discretion, unless there is evidence of bad faith. Our consent to or approval of any act or request by you shall be effective only if stated; shall not be deemed to waive or render unnecessary consent or approval of any subsequent similar act or request; and shall not constitute a recommendation, guaranty or warranty with respect to the suitability or success of the matter consented to or approved.

15.4.4 Construction. The table of contents and captions used in this Agreement are inserted for convenience only and shall not affect the meaning or construction of this Agreement. Capitalized terms shall have the meanings defined where these terms occur in this Agreement in bold type and quotation marks. The language of this Agreement shall be

construed simply according to its fair meaning and not strictly for or against either party. If Franchisee shall be two or more persons and/or entities (notwithstanding any agreement, arrangement or understanding between or among these persons or entities), the rights, privileges and benefits granted may only be exercised and enjoyed jointly; the liabilities and responsibilities assumed, however, shall be the joint and several obligations of these persons or entities. Words in this Agreement shall be deemed to refer to whatever number or gender the context requires. It is the intention of the parties that if any provision in this Agreement is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid. Each term and provision of this Agreement to be performed by you shall be construed to be both a covenant and a condition.

15.5 Successors. Subject to the restrictions on Assignment in Section 12, this Agreement shall be binding upon and inure to the benefit of the permitted successors, assigns, heirs and personal representatives of the parties.

15.6 Submission of Agreement. The delivery of this Agreement does not constitute an offer to you, and this Agreement shall become binding and effective only upon signing by you and an authorized officer of Bahama Buck's.

15.7 Acknowledgments.

15.7.1 Risks. You acknowledge that you have conducted an independent investigation of the business contemplated by this Agreement and recognize that it is speculative and involves business risks, and that making a success of the business will be largely dependent upon your skills, business abilities and efforts. We expressly disclaim the making of, and you acknowledge that you have not received nor relied upon, any representation, warranty or guaranty, expressed or implied, as to the potential volume, profits or success of the business contemplated by this Agreement.

15.7.2 No Other Representations. You expressly warrant that you have no knowledge of any representation about the Franchise Business, by us or our officers, directors, shareholders, employees or agents that is contrary to the terms of this Agreement or the documents referred to in it.

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YOU UNDERSTAND AND ACKNOWLEDGE THAT (A) BAHAMA BUCK'S HAS MADE NO REPRESENTATION THAT YOU WILL EARN OR ARE LIKELY TO EARN A PROFIT IN EXCESS OF THE INITIAL CONSIDERATION PAID BY YOU, OR WILL OBTAIN ANY CERTAIN LEVEL OF VOLUME, REVENUE OR SALES; (B) BAHAMA BUCK'S WILL NOT PROVIDE A LOCATION FOR YOUR FRANCHISE BUSINESS; AND (C) BAHAMA BUCK'S HAS MADE NO REPRESENTATION THAT IT WILL BUY BACK FROM YOU ANY INVENTORY, SUPPLIES OR EQUIPMENT PURCHASED BY YOU. YOU REPRESENT TO US, AS AN INDUCEMENT TO ITS ENTRY INTO THIS AGREEMENT, THAT YOU HAVE MADE NO MISREPRESENTATIONS TO US IN OBTAINING THIS AGREEMENT.

15.7.3 Advisors. You acknowledge that you have received, read and understands this Agreement, the attachments and all disclosure documents delivered in connection with it; that you have had ample time and opportunity to review these documents with your own legal counsel and other advisors of your own choosing and to consult with them about the potential benefits and risks of entering into this Agreement; and that we have fully and adequately explained the provisions of these documents to your satisfaction. You acknowledge that you have not signed this Agreement in reliance on any shareholder, director, officer, or employee remaining with us in that capacity, and such people are only our representatives.

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[Signatures on following page]

IN WITNESS WHEREOF the parties have signed this Agreement as of the Effective Date stated above.

"**Franchisee**"	"**Bahama Buck's**" **or "Franchisor"**
	Bahama Buck's Franchise Corporation, an Arizona corporation
By:	By:
(Signature)	(Signature)
	Eric M. Lee
(Type or Print Name)	(Type or Print Name)
Its: Owner	Its: **Chief Financial Officer|Secretary**
(Title)	(Title)
By:	
(Signature)	
(Type or Print Name)	
Its: Owner	
(Title)	

EXHIBIT 1
TO
FRANCHISE AGREEMENT

TERMS

Effective Date of this Agreement is: _____

Franchisee is:

_____
(Full legal name)

[check one and insert state of formation]

☐ a _____ corporation
☐ a _____ partnership
☐ a _____ limited liability company

_____
(Street Address)

_____
(City, State, Zip Code)

Telephone Number: _____
Facsimile Number: _____

Designated Representative: _____

1.4 Temporary Reserved Area. Franchisee must locate its Bahama Buck's retail business in the following area:

3.1 Approved Site Location. The street address of Franchisee's approved location for the Franchise Business is:

4.1 Initial Franchise Fee. You shall pay us an initial Franchise Fee of $34,500 upon the execution of this Agreement.

9.7.1/15.2 Home Address/Primary Correspondent for Entity. Your name, home address and telephone number, or that of the primary correspondent for the owners of an entity if you are a corporation or other legal entity, is:

_____
(Name of Primary Correspondent for Business Entity Franchisee)

_____
(Residential Street Address)

_____
(City, State, Zip Code)

Residential Telephone Number: _____

Residential Facsimile Number: _____

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EXHIBIT 2
TO
FRANCHISE AGREEMENT

GUARANTY

As an inducement to BAHAMA BUCK'S FRANCHISE CORPORATION ("**Franchisor**") to execute the Franchise Agreement (the "**Agreement**") between _____ ("**Franchisee**") and Franchisor, dated _____, 20____ , the undersigned, together with all persons and entities who may become guarantors (collectively the "**Guarantors**"), jointly and severally, unconditionally guarantee that Franchisee will fully, promptly and faithfully perform and discharge all of its obligations, covenants, duties and conditions under the Agreement, and under any and all instruments, documents or other evidence of indebtedness, amending and/or issued in connection with or pursuant to the Agreement and all related obligations (collectively the "**Obligations**"). The Guarantors and each of them hereby promise to pay on demand any and all indebtedness of Franchisee and perform each Obligation required of Franchisee.

The Guarantors jointly and severally hereby indemnify and hold Franchisor harmless from and against any and all damage it may suffer as a result of: (1) any breach of any representations or warranties made by Franchisee pursuant to the Obligations, and (2) any failure to perform or any event of default by Franchisee with respect to any of its obligations, covenants, duties and conditions pursuant to the Obligations.

The obligations of Guarantors hereunder are independent of the obligations of Franchisee under the Obligations. A separate action or actions may be brought and prosecuted directly against any one or more of the Guarantors, whether or not an action is brought first or at all against Franchisee or any other Guarantor, or whether or not Franchisee or any other Guarantor is joined in any such action or actions, and with or without any exercise of any other remedy Franchisor may have pursuant to the Obligations. A discharge in bankruptcy of the Franchisee by a Bankruptcy Court that is "full satisfaction" (or words to such effect) of the Agreement's obligations, regardless as to whether the discharge was part of the resolution of a bankruptcy claim or as part of a plan of reorganization, does not excuse the obligations of Guarantors and Franchisor may pursue Guarantors for the entire amount due and owing Franchisor regardless of the discharge.

Guarantors each authorize Franchisor, without notice or demand and without affecting any Guarantor's liability hereunder, from time to time to: (1) renew, compromise, settle, adjust, extend, accelerate or otherwise change the time for payment of or otherwise alter the terms of the Agreement, the obligations or the indebtedness of Franchisee pursuant to the Obligations; (2) take and hold security for the performance of this Guaranty or the Obligations guaranteed, and exchange, enforce, waive and release any security held; (3) apply any security and direct the order or manner of sale thereof as Franchisor in its discretion may determine; (4) release or substitute one or more of the Guarantors; and (5) assign this Guaranty in whole or in part.

Guarantors each waive any right to require Franchisor to: Proceed against Franchisee or any other Guarantors; proceed against, protect, preserve or exhaust any security from Franchisee; or pursue any other remedy in the power of Franchisor. Guarantors each waive any and all rights accorded to them under the suretyship provisions of applicable state law, and waive all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor and notices of acceptance of this Guaranty and of the existence,

creation, modification of terms, or incurring of new or additional indebtedness of Franchisee to Franchisor.

Guarantors each agree to pay all reasonable attorneys' fees and other costs and expenses which may be incurred by Franchisor in connection with the enforcement of the Obligations or this Guaranty.

The provisions of the Agreement providing that Texas law shall govern, and requiring arbitration and litigation in Lubbock, Texas shall also apply to this Guaranty and each Guarantor.

DATED: _____

GUARANTOR:	**GUARANTOR'S SPOUSE:** The undersigned spouse of Guarantor hereby consents to, and agrees to be bound by, the foregoing Guaranty.
By: _____	By: _____
(Signature)	(Signature)
_____	_____
(Type or Print Name)	(Type or Print Name)
By: _____	By: _____
(Signature)	(Signature)
_____	_____
(Type or Print Name)	(Type or Print Name)
By: _____	By: _____
(Signature)	(Signature)
_____	_____
(Type or Print Name)	(Type or Print Name)
By: _____	By: _____
(Signature)	(Signature)
_____	_____
(Type or Print Name)	(Type or Print Name)

_____
(Street Address)

_____
(City, State, Zip Code)

_____
(Telephone Number)

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EXHIBIT 3
TO
FRANCHISE AGREEMENT

CONFIDENTIALITY AGREEMENT
and
[FOR KEY INDIVIDUALS] NONCOMPETITION AGREEMENT

THIS CONFIDENTIALITY AGREEMENT and NONCOMPETITION AGREEMENT (this "**Agreement**") is entered into as of the _____ day of _____, 20____, by the undersigned individual (the "**Undersigned**") for the benefit of Bahama Buck's Franchise Corporation (the "**Franchisor**"), and if applicable, _____, a franchisee of the Bahama Bucks system (the "**Franchisee**") under that certain franchise agreement dated as of the ____ day of _____, 20___ (the "**Franchise Agreement**"), whereby the Franchisor granted a license to the Franchisee to use the BAHAMA BUCK'S ORIGINAL SHAVED ICE COMPANY trademark (the "**Mark**") and methods in connection with the operation of a BAHAMA BUCK'S retail business (collectively, the "**System**").

R E C I T A L S:

A. The Undersigned is a prospective purchaser of a BAHAMA BUCK'S retail franchise; or alternatively, the Undersigned holds, or has been offered, a position as an owner, officer, director or designated representative of a Franchisee that is a corporation or other form of business entity (each such person is referred to in this Agreement as a "**Key Individual**"); or alternatively, the Undersigned holds, or has been offered a position as an employee of Franchisee; in each case as specified below with the Undersigned's signature (the "**Position**").

B. The Position will place the Undersigned in a position of trust and confidence with both Franchisor and Franchisee. The Undersigned acknowledges that the Position may require disclosure to him or her from time to time of confidential information, including without limitation: manuals, recipes, formulas, wholesale prices, specifications, future product planning, marketing history, plans and strategies, customer information, research, mailing lists, vendor information, manufacturer information, financial and sales data, and sales techniques, all of which may be further developed or modified in the future (hereinafter collectively the "**Confidential Information**").

C. The Undersigned consequently agrees that it is reasonable and necessary for the protection of the System and for the benefit of both Franchisor, and, if applicable, the Franchisee to keep the Confidential Information confidential and to not compete with any BAHAMA BUCK'S retail business, all pursuant to the terms and conditions contained in this Agreement.

NOW THEREFORE, in consideration of the mutual promises and conditions contained herein, and as an inducement to Franchisor to divulge Confidential Information to the Undersigned as a prospective franchisee, or to enter into a Franchise Agreement with the Franchisee, and/or in consideration of the Undersigned's relationship with the Franchisee, the Undersigned agrees as follows:

1. Ownership of the Mark and Confidential Information. The Undersigned expressly acknowledges that Franchisor is the sole owner of the Mark and Confidential Information, including without limitation the manuals and all information contained therein, and that the Confidential Information is being imparted to the Undersigned in trust and confidence and only by reason of Undersigned's Position; and that the Confidential Information is not generally known to the trade or public and is not known to the Undersigned except by reason of such disclosure. The Undersigned further acknowledges that the Undersigned shall acquire no interest in the Confidential Information, other than the right to utilize it in connection with the performance of duties associated with the Position. In addition, the Undersigned acknowledges that the use of the Mark or the duplication or disclosure of the Confidential Information except as expressly permitted by this Agreement shall constitute an unfair method of competition and that Franchisor and, if applicable, Franchisee, shall suffer irreparable injury thereby.

2. Confidentiality. All of the Confidential Information and knowledge about the System which is not in the public domain, and such other information and material as Franchisor or Franchisee may designate as confidential, shall be deemed Confidential Information for purposes of this Agreement. The Undersigned agrees to keep all Confidential Information confidential and to use the Confidential Information only for the purposes and in the manner authorized by Franchisee and Franchisor. The Undersigned agrees that s/he will not, at any time, while holding the Position or thereafter, in any manner or form, directly or indirectly, duplicate, use or disclose any Confidential Information to any person or entity other than the individuals in the System, who need to have such Confidential Information to perform their jobs. These restrictions are imposed for the term of this Agreement, and after this Agreement is terminated (or expires), the entire length of time that any Confidential Information is a trade secret and otherwise, the longest of either four years or as long as may be required by applicable law.

3. Work Product. The Undersigned agrees that all documents, papers, notes and other materials and work products containing or derived from the Confidential Information or connected with the Undersigned's Position with Franchisee shall be Confidential Information. The Undersigned agrees that s/he will have no proprietary interest in any work product developed or used by him or her in connection with the Position. The Undersigned will, from time to time, as may be requested by Franchisee or Franchisor, do all things, which may be necessary to establish or document Franchisee's, or Franchisor's ownership of any such work product, including without limitation the signing of assignments.

4. Assignment of Improvements. The Undersigned agrees to disclose promptly to Franchisor any and all recipes, formulas, processes, inventions, technology, ideas, discoveries and improvements related to BAHAMA BUCK'S and its ready-to-eat- frozen dessert or ice products (collectively, **"Improvements"**), whether or not patentable or copyrightable, conceived or made by the Undersigned while the Franchise Agreement is in effect, all of which shall automatically be owned by Franchisor without compensation to the Undersigned. Whenever requested to do so by Franchisor, the Undersigned will sign any and all applications, assignments or other instruments which Franchisor shall deem necessary to apply for and obtain patents and/or copyrights or to otherwise evidence Franchisor's ownership and/or protect Franchisor's interest therein. These obligations shall continue beyond the termination of the Undersigned's Position with Franchisee with respect to Improvements conceived or made by the Undersigned while the Undersigned held a Position with Franchisee.

5. Return of Confidential Material. Upon termination of his or her Position with Franchisee, the Undersigned shall promptly return to Franchisee all copies of any

Confidential Information and all property belonging to Franchisee and Franchisor, or either of them, in the Undersigned's possession, custody or control, including any of such items produced or prepared by the Undersigned.

6. Injunctive Relief. If an actual or threatened breach by the Undersigned of any of the provisions of this Agreement, Franchisee and Franchisor, or either of them, shall immediately be entitled to injunctive relief restraining the Undersigned from the breach or threatened breach without having to show any actual damage. It is specifically agreed that Franchisee and Franchisor, or either of them, may incur incalculable and irreparable damage from any such violation, and that Franchisee and Franchisor, or either of them, have no adequate remedy at law and are entitled to injunctive relief for any such actual or threatened violation. Nothing herein shall be construed as prohibiting Franchisee and Franchisor, or either of them, from pursuing any other available remedies for such breach. If a remedy other than injunctive relief is sought (or if injunctive relief is sought with another dispute mechanism), then the dispute resolution provisions of the Franchise Agreement, including arbitration, apply to this Agreement.

7. Survival. The provisions of this Agreement shall survive the expiration or termination of any agreement or relationship between Franchisee and Undersigned for any reason, and shall be enforceable notwithstanding the existence of any claim or cause of action of Undersigned against Franchisee and Franchisor, or either of them, predicated on any contract or other basis whatsoever.

8. Severability. If any term or provision of this Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable for any reason, the provision shall be modified if necessary to make it enforceable, or if it cannot be so modified, then severed, and the remaining terms of this Agreement shall remain in full force and effect, and it is hereby declared the intention of the parties that they would have signed the Agreement as so modified.

9. General. Except as otherwise expressly provided herein, this Agreement contains the entire understanding between the parties with respect to the subjects hereof, and supersedes all prior oral and written negotiations and agreements. Except as provided in Section 10 below, this Agreement may be amended only by an instrument in writing approved by Franchisor and signed by Franchisee and the Undersigned. The waiver of any breach or violation of this Agreement shall not be deemed to amend this Agreement and shall not constitute a waiver of any other or subsequent breach. Headings are for convenience and shall not limit or control interpretation. Words in this Agreement shall be deemed to refer to whatever number and gender the context requires. If the Undersigned is an officer, director or owner of Franchisee, this Agreement shall be governed by the laws of Texas; in all other cases this Agreement shall be governed by the laws of the state in which Franchisee's BAHAMA BUCK'S retail business is located. Any proceeding relating to this Agreement shall be brought in Lubbock County, Texas and in accordance with Section 14 of the Franchise Agreement, unless specifically revised in this Agreement. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns. Franchisor shall be a third party beneficiary of this Agreement, and shall have the right, but not the obligation, to enforce this Agreement.

COVENANT OF NONCOMPETITION
FOR KEY INDIVIDUALS ONLY

10. Covenant of Noncompetition. This provision shall only apply if the Undersigned is also a Key Individual. Each Key Individual agrees that, without the express prior written consent of Franchisor, which Franchisor may withhold in its sole absolute discretion, the Key Individual will not, during the Time Period (as defined below), directly or indirectly, engage in, render services or provide financing to, or have any interest in, any business that derives 50% or more of its revenues from the sale of ready-to-eat frozen dessert, ice or coffee products (a "**Competitive Business**") and that is located or conducts business within the Area (as defined below).

A. Time Period. For the purposes of Section 10 of this Agreement, the term "**Time Period**" shall mean (a) for the period of time that the Franchise Agreement is in effect; and (b) for a period of two years after the Key Individual no longer holds any Position with Franchisee and has ceased engaging in any Competitive Business, or after the Assignment or Termination of the Franchise Agreement for any reason for a period of two years after all Key Individuals have ceased engaging in any Competitive Business; whichever occurs sooner.

B. Area. For the purposes of Section 10 of this Agreement, the term "**Area**" shall mean (a) the Territory (as defined in the Franchise Agreement), and (b) the county in which Franchisee's BAHAMA BUCK'S retail business is located.

11. Modification. The covenant set forth in Section 10 shall be construed as independent of any other covenant or provision of any agreement. Franchisor reserves the right to reduce the scope of the obligations under the covenant of noncompetition unilaterally and without the consent of any other person or entity, effective upon giving notice thereof.

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INDIVIDUAL (the "Undersigned"):

By: _____
(Signature)

_____
(Type or Print Name)

By: _____
(Signature)

_____
(Type or Print Name)

By: _____
(Signature)

_____
(Type or Print Name)

By: _____
(Signature)

_____
(Type or Print Name)

_____
(Street Address)

_____
(City, State, Zip Code)

Individual's Position(s) with Franchisee for which Sections 10 and 11 above do **NOT** apply [check all Positions that are applicable]

☐ No ownership interest in Franchisee
☐ Other: _____ [specify]

Individual's Position(s) as a Key Individual with Franchisee for which **SECTIONS 10 AND 11 ABOVE DO APPLY** [check all Positions that are applicable]:

☐ 25% or more owner of Franchisee
☐ Officer: _____ [provide title]
☐ Director
☐ Designated Representative
☐ Retail Business Manager

CONSENT AND AGREEMENT OF SPOUSE

The undersigned spouse of the individual signing above hereby consents to, and agrees to be bound by, the foregoing Agreement.

_____	_____	_____	_____
(Signature of Spouse)	(Signature of Spouse)	(Signature of Spouse)	(Signature of Spouse)
_____	_____	_____	_____
(Printed or Typed Name of Spouse)	(Printed or Typed Name of Spouse)	(Printed or Typed Name of Spouse)	(Printed or Typed Name of Spouse)

ACCEPTED BY FRANCHISEE (For itself and on behalf of Franchisor):

_____

By: _____
(Signature)

_____
(Type or Print Name)

Its: Owner
(Title)

By: _____
(Signature)

_____
(Type or Print Name)

Its: Owner
(Title)

ACCEPTED BY FRANCHISOR

Bahama Buck's Franchise Corporation, an Arizona corporation

By: _____
(Signature)

Eric M. Lee
(Type or Print Name)

Its: **Chief Financial Officer|Secretary**
(Title)

By: _____
(Signature)

_____
(Type or Print Name)

Its: _____
(Title)

By: _____
(Signature)

_____
(Type or Print Name)

Its: _____
(Title)

Exhibit 4

Mobile/Satellite Sales Amendment

(Cart, Trailer, Truck, or Other Mobile/Satellite Unit)

This Mobile/Satellite Sales Amendment (this "**Amendment**") is made by and between Bahama Buck's Franchise Corporation, an Arizona corporation ("**Franchisor**"), and _____ ("**Franchisee**"), as an amendment to the Franchise Agreement (the "**Franchise Agreement**") dated as of _____, 20___, by and between Franchisor and Franchisee, and is to be effective as of _____, 20___ (the "**Effective Date**").

1. Defined Terms. All capitalized terms used in this Amendment shall have the meanings defined in the Franchise Agreement unless otherwise expressly defined in this Amendment.

2. Grant. Section 1.2 of the Franchise Agreement is hereby deleted in its entirety, and replaced by the following new Section 1.2:

> **1.2 GRANT.** Subject to the provisions of the Franchise Agreement and this Amendment and in consideration of Franchisee's representations and the mutual agreements herein contained, Bahama Buck's hereby grants to the Franchisee a license to operate BAHAMA BUCK'S ORIGINAL SHAVED ICE COMPANY retail business (the "**Franchise Business**"), to sell BAHAMA BUCK'S products from mobile/satellite units as provided in Section 4 and a license to use the System, including the Marks, the Confidential Information and the Manual (all as specified in Section 8 hereof, subject to the terms and conditions of this Agreement.

3. Mobile/Satellite Sales. Sections 4.2.1 and 4.2.2 of the Franchise Agreement are hereby added as follows:

> **4.2.1 Terms of Mobile/Satellite Sales.** While the Franchise Agreement is in effect and the Franchisee is not in material default under the Franchise Agreement or this Amendment, the Franchisee may make sales from one or more carts, trailers, trucks, or other authorized mobile equipment ("**Mobile/Satellite Units**"), subject to the following conditions:
>
> **(A) Type of Mobile/Satellite Unit.** The Franchisee is approved to offer products from the following one or more of the following Mobile/Satellite units.
>
> [check all that apply] ☐ a cart
> ☐ a trailer
> ☐ a truck
> ☐ a _____
>
> **(B) Approved Mobile/Satellite Products.** The Franchisee may sell from Mobile/Satellite Units only those products specifically approved by the Franchisor for Mobile/Satellite Unit sales.
>
> **(B) Mobile/Satellite Unit Standards.** The Franchisee's Mobile/Satellite Units must at all times comply with the specifications and operating standards established from time to time by the Franchisor. The specifications and operating standards will vary depending

on the type of Mobile/Satellite Unit that Franchisee is approved to use. The specifications and standards will be provided to Franchisee either directly by Franchisor or in the Manual.

(C) Locations. The chart on the following page summarizes where and when the Franchisee may make Mobile/Satellite Unit sales, as specified in more detail in the paragraphs following the chart:

RESTRICTIONS	SPECIAL EVENTS (paragraph (1) below)	OCCASIONS OTHER THAN SPECIAL EVENTS	
		Within Franchisee's Territory (paragraph (2) below)	Within Unassigned Territory (paragraph (3) below)
Sales within Franchisee's Territory	yes	yes	--
Sales in unassigned territory	yes	--	yes
Sales within territory assigned to another franchisee	yes	--	no
Sales on Mondays through Saturdays	yes	yes	yes
Sales on Sundays	yes	yes	yes
Advance consent of Franchisor required	no	no	yes

(1) Special Events. The Franchisee may sell from Mobile/Satellite Units both inside and outside the Territory (including within territory assigned to another franchisee), without obtaining the Franchisor's advance approval, on all days including Sundays, but only at the site of and during a Special Event, as defined herein and further clarified from time to time in the Manual. A "**Special Event**" shall mean an event for a stated limited purpose, held at a specified place and for a specified period of time, for which the primary focus is not commercial retail sales. Examples of such Special Events are weddings, birthday parties, and entertainment events such as fairs, parades, concerts and athletic events. Business promotions, sales and grand openings, and other events at commercial retail outlets, are not Special Events. In the case of any ambiguity, the Franchisor shall be the final arbiter of what constitutes a Special Event.

(2) Within Franchisee's Territory. In addition to Special Events, the Franchisee may sell from Mobile/Satellite Units without obtaining the Franchisor's advance approval, even when there is no Special Event, provided that such Mobile/Satellite Unit sales occur only within the Franchisee's Territory.

(3) Outside Franchisee's Territory in Unassigned Territory. In addition to Special Events, the Franchisee may sell from Mobile/Satellite Units outside the Franchisee's Territory even when there is no Special Event, provided that such Mobile/Satellite Unit sales occur (i) only within territory that is not at the time assigned to any other franchisee, and (ii) the Franchisee obtains the prior written approval of the Franchisor for the specific location and date(s) the Mobile/Satellite Unit is to be operated, which the Franchisor can withdraw at any time in the future upon assignment of the territory to another franchisee.

(4) Franchisor's Right to Disapprove a Location. The Franchisor may at any time, in its sole and absolute good faith judgment, determine that any particular Mobile/Satellite Unit location is harmful to the image and reputation of the Bahama Buck's Original Shaved Ice Company name and system, and upon written notification to the Franchisee, the Franchisee shall promptly discontinue operating a Mobile/Satellite Unit at that location.

4.2.2 No Assignment Permitted. The Franchisee may lease or assign the right to use a Mobile/Satellite Unit to another Bahama Buck's franchisee who is in good standing under his or her franchise and who has entered into a Mobile/Satellite Sales Amendment with the Franchisor (or who is entitled to operate a Mobile/Satellite Unit under the terms of his or her franchise agreement); the Franchisee may not otherwise lease any Mobile/Satellite Unit, or lease or assign the right to use any Mobile/Satellite Unit, to any third party for any purpose.

4. Retained Rights of Franchisor. Section 5.2 of the Franchise Agreement is hereby deleted in its entirety and replaced by the following Section 5.2:

5.2 National Accounts. The Franchisor or any future affiliate may establish a third party to operate a BAHAMA BUCK'S ORIGINAL SHAVED ICE COMPANY retail business, or place a Mobile/Satellite Unit on either a temporary or permanent basis, within any hospital, educational facility, amusement park, sports facility, museum, theater, airport, bus or railway station, or national or regional chain (having units in two or more states), or under any contract with the federal government, located within or outside of the Territory; *provided, however,* that the Franchisor shall give the Franchisee a first right of refusal to establish the business or place the Mobile/Satellite Unit in the Territory if the Franchisor has the right to do so under the terms of its contract for any such location. The Franchisee shall have five business days to exercise any such right of first refusal.

5. Mobile/Satellite Unit Sales. A new Section 5.3.4 is hereby added to Section 5.3 as follows:

5.3.4 Mobile/Satellite Unit Sales. The Franchisor, any affiliates and all other Bahama Buck's franchisees may operate Mobile/Satellite Units for Special Events within and outside of the Territory. The Franchisor and any affiliates may also service Special Events without using Mobile/Satellite Units.

6. Gross Sales. Franchisee acknowledges that the definition of Gross Sales in Section 7.3 includes all sales and other income from all Mobile/Satellite Units operated by the Franchisee.

7. Inspections. Section 10.2.2 of the Franchise Agreement is hereby deleted in its entirety, and replaced by the following new Section 10.2.2:

10.2.2. Inspections. Franchisee expressly authorizes Bahama Buck's to enter the Franchise Business at any time during normal business hours or when Mobile/Satellite Units are or are not in use, to inspect and examine the Mobile/Satellite Units, location, operations, facilities, equipment, books and records and other operating reports, and to verify inventory, procedures and compliance with this Agreement. Inspections may include the testing, sampling and inspection of food and ingredients used by the Franchisee at the retail business or the Mobile/Satellite Units, as well as storage, use preparation of such desserts, food, beverage ingredients and products. Franchisor may also implement a secret shopper program from time to time throughout the term of this Agreement. Franchisee will not be obligated to pay for a secret shopper visit in which Franchisee passes the evaluation, but Franchisee will be responsible for paying for any secret shopper visits for which Franchisee, in Franchisor's reasonable business judgment, fails the examination.

8. General Provisions. If a Mobile/Satellite Sales Amendment is executed, any references in this Agreement to the Franchise Business or to the retail location of the Franchise Business shall include the Mobile/Satellite Unit and any sales from the Mobile/Satellite Unit.

9. Interpretation. If there is any conflict between the express provisions of this Amendment and the Franchise Agreement, the terms of this Amendment shall control. This Amendment is hereby incorporated by reference into the Franchise Agreement. Except as expressly amended by this Amendment, the Franchise Agreement shall remain in full force and effect.

IN WITNESS WHEREOF the parties hereto have executed this Amendment to be effective as of the Effective Date stated above.

"**Franchisee**"	**"Franchisor":**
	BAHAMA BUCK'S FRANCHISE CORPORATION, an Arizona corporation
By: _____ (Signature)	By: _____ (Signature)
_____ (Type or Print Name)	**Eric M. Lee** (Type or Print Name)
Its: Owner (Title)	Its: **Chief Financial Officer|Secretary** (Title)
By: _____ (Signature)	
_____ (Type or Print Name)	
Its: Owner (Title)	

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Exhibit 5 to the Franchise Agreement

Electronic Transfer of Funds Authorization

Franchisee:_____

Location:_____

Date:_____

NEW	CHANGE

Attention: Bookkeeping Department

The undersigned hereby authorizes Bahama Buck's Franchise Corporation or any affiliated entity (collectively, "Bahama Bucks" or "us"), to initiate weekly ACH debit entries against the account of the undersigned with you in payment of amounts for Royalty Fees, Advertising Fees or other amounts that become payable by the undersigned to us. The dollar amount to be debited per payment will vary.

If you fail to submit to us the reports we require on your net sales figures for the prior month as required by section 9.10 we have the right to withdraw from your bank account an amount of estimated royalty fees and ad fund fees. We will calculate this amount based on the last reported gross sales plus 20 percent as an estimate of the prior calendar month's royalty fees and ad fund fees as well as any late charges.

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

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.

We also need a VOIDED Check

_____
Bank Name

_____
Branch

_____
Street Address

_____
City State Zip Code

_____

Sincerely yours,

_____
Account Name

_____
Street Address

_____
City State Zip Code

_____
Telephone Number

By_____

Bank Telephone Number

Its _____

_____
ACH Bank Routing Number

Date _____

_____
Customer's Account Number

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Exhibit 6 to the Franchise Agreement

OHIO NOTICE OF CANCELLATION

[For Ohio Franchisees Only]

_____, 20___ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, to Ryan Blake Buchanan, 5741 50th Street, Lubbock, Texas 79424 or send a fax to Bahama Buck's Franchise Corporation, attn. Ryan Blake Buchanan at 806-771-2189 or an email to Bahama Buck's Franchise Corporation, attn. Ryan Blake Buchanan at **blake@bahamabucks.com** not later than midnight of _____, 20__.

I hereby cancel this transaction.

_____ _____

[copy to be sent to franchisor]

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OHIO NOTICE OF CANCELLATION
[For Ohio Franchisees Only]

_____, 20___ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, to Ryan Blake Buchanan, 5741 50th Street, Lubbock, Texas 79424, or send a fax to Bahama Buck's Franchise Corporation, attn. Ryan Blake Buchanan at 806-771-2189 or an email to Bahama Buck's Franchise Corporation, attn. Ryan Blake Buchanan at **blake@bahamabucks.com** not later than midnight of _____, 20__.

I hereby cancel this transaction.

_____ _____

[copy to be completed and retained by franchisee]

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Exhibit 7 to the Franchise Agreement

Development Extension Amendment to Franchise Agreement

This Development Extension Amendment to Franchise Agreement (the "**Amendment**") is made as of _____, 20___ by and between Bahama Buck's Franchise Corporation, an Arizona corporation ("**Franchisor**" or "we"), and _____ ("**Franchisee**" or "you"), as an amendment to the Franchise Agreement (the "**Franchise Agreement**") dated as of _____, 20___, by and between Franchisor and Franchisee, and is to be effective concurrently with the Franchise Agreement.

1. **Defined Terms.** All capitalized terms used in this Amendment shall have the meanings defined in the Franchise Agreement unless otherwise expressly defined in this Amendment.

2. **Section 2. Extension Request**. Franchisee has not fulfilled the requirements of Sections 2.1 and 2.2 within twelve (12) months of the Effective Date of the Franchise Agreement due to difficulty locating and acquiring an acceptable location and is currently in default of the Franchise Agreement. To resolve this issue in lieu of terminating the Franchise Agreement, Franchisor has offered and Franchisee has accepted an extension on its obligations for the selected time frame in consideration for the selected payment. The payment is to be submitted by Franchisee when Franchise executes this Amendment. The extension fee is nonrefundable. The following paragraph is hereby added to Section 2.

2.4 Development Extension Amendment. Franchisee shall have the following extension options on its 12 month obligations under Sections 2.1 and 2.2:

- ☐ 6 months for $3,000.00 (6 months from the execution date of this Amendment)
- ☐ 12 months for $5,000.00 (12 months from the execution date of this Amendment)

3. **Interpretation.** In the event of any conflict between the express provisions of this Amendment and the Franchise Agreement, the terms of this Amendment shall control. This Amendment is hereby incorporated by reference into the Franchise Agreement. Except as expressly amended by this Amendment, the Franchise Agreement shall remain in full force and effect. This Amendment may be executed in counterparts. A pdf of the executed Amendment shall have the same force and effect as an originally executed Amendment.

IN WITNESS WHEREOF the parties hereto have executed this Amendment to be effective concurrently with the Franchise Agreement.

"**Franchisee**"	**"Franchisor":**
	BAHAMA BUCK'S FRANCHISE CORPORATION, an Arizona corporation
By:	By:
(Signature)	(Signature)
	Eric M. Lee
(Type or Print Name)	(Type or Print Name)
Its: Owner	Its: **Chief Financial Officer|Secretary**
(Title)	(Title)
By:	
(Signature)	
(Type or Print Name)	
Its: Owner	
(Title)	

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Exhibit 8 to the Franchise Agreement

ADDENDUMS REQUIRED BY STATE LAW

In addition to the laws stated in Exhibit B to the Franchise Disclosure Document, the following Items are required to be included within the Disclosure Document by the states specified below and shall be deemed to supersede the language in the Disclosure Document and Franchise Agreement itself:

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ADDENDUM
TO THE FRANCHISE AGREEMENT OF
BAHAMA BUCK'S FRANCHISE CORPORATION
REQUIRED BY THE STATE OF CALIFORNIA

California:

Cover Page Risk Factor

THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION REQUIRES US TO DEFER PAYMENT OF THE INITIAL FRANCHISE FEE AND OTHER INITIAL PAYMENTS OWED BY FRANCHISEES TO THE FRANCHISOR UNTIL THE FRANCHISOR HAS COMPLETED ITS PRE-OPENING OBLIGATIONS UNDER THE FRANCHISE AGREEMENT.

Waivers and Releases

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.

"**Franchisee**"	**"Franchisor":**
	BAHAMA BUCK'S FRANCHISE CORPORATION, an Arizona corporation
By: _____ (Signature)	By: _____ (Signature)
_____ (Type or Print Name)	**Eric M. Lee** (Type or Print Name)
Its: Owner (Title)	Its: **Chief Financial Officer|Secretary** (Title)
By: _____ (Signature)	
_____ (Type or Print Name)	
Its: Owner (Title)	

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ADDENDUM
TO THE FRANCHISE AGREEMENT OF
BAHAMA BUCK'S FRANCHISE CORPORATION
REQUIRED BY THE STATE OF HAWAII

Hawaii

THE HAWAII DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS REQUIRES US TO DEFER PAYMENT OF THE INITIAL FRANCHISE FEE AND OTHER INITIAL PAYMENTS OWED BY FRANCHISEES TO THE FRANCHISOR UNTIL THE FRANCHISOR HAS COMPLETED ITS PRE-OPENING OBLIGATIONS UNDER THE FRANCHISE AGREEMENT.

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

(*Signatures on Following Page*)

"**Franchisee**"	**"Franchisor":**
	BAHAMA BUCK'S FRANCHISE CORPORATION, an Arizona corporation
By: _____ (Signature)	By: _____ (Signature)
_____ (Type or Print Name)	**Eric M. Lee** (Type or Print Name)
Its: Owner (Title)	Its: **Chief Financial Officer|Secretary** (Title)
By: _____ (Signature)	
_____ (Type or Print Name)	
Its: Owner (Title)	

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ADDENDUM
TO THE FRANCHISE AGREEMENT OF
BAHAMA BUCK'S FRANCHISE CORPORATION
REQUIRED BY THE STATE OF ILLINOIS

This addendum to the Disclosure Document and Franchise Agreement is agreed to this _____ and effectively amends and revises said Disclosure Document and Franchise as follows:

Illinois law governs the Franchise Agreement.

Payment of the initial franchise fee/development fees will be deferred until the Franchisor has met its initial obligations to the franchisee and the franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to the Franchisor's financial condition.

In conformance with Section 4 of the Illinois Disclosure Act, any provision in a Franchise Agreement that designates jurisdiction or venue in a forum outside of Illinois is void. However, a Franchise Agreement may provide for arbitration 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 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 on Following Page*)

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"**Franchisee**"	**"Franchisor":**
	BAHAMA BUCK'S FRANCHISE CORPORATION, an Arizona corporation
By: _____ (Signature)	By: _____ (Signature)
_____ (Type or Print Name)	**Eric M. Lee** (Type or Print Name)
Its: Owner (Title)	Its: **Chief Financial Officer|Secretary** (Title)
By: _____ (Signature)	
_____ (Type or Print Name)	
Its: Owner (Title)	

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ADDENDUM
TO THE FRANCHISE AGREEMENT OF
BAHAMA BUCK'S FRANCHISE CORPORATION
REQUIRED BY THE STATE OF NEW YORK

Choice of Law and Forum

The franchise agreement has been made and accepted in the State of Florida and it will be interpreted in accordance with and governed by the laws of the State of Florida and any applicable federal and state franchise laws. You hereby consent to jurisdiction in Florida. However, the foregoing choice of law should not be considered a waiver of any right conferred upon the Franchisor or upon the Franchisee by Article 33 of the General Business Law of the State of New York.

IN WITNESS WHEREOF the parties hereto have executed this Amendment to be effective concurrently with the Franchise Agreement.

"**Franchisee**"	**"Franchisor":** **BAHAMA BUCK'S FRANCHISE CORPORATION**, an Arizona corporation
By: _____ (Signature)	By: _____ (Signature)
_____ (Type or Print Name)	**Eric M. Lee** (Type or Print Name)
Its: Owner (Title)	Its: **Chief Financial Officer|Secretary** (Title)
By: _____ (Signature)	
_____ (Type or Print Name)	
Its: Owner (Title)	

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ADDENDUM
TO THE FRANCHISE AGREEMENT OF
BAHAMA BUCK'S FRANCHISE CORPORATION
REQUIRED BY THE STATE OF MARYLAND

This addendum to the Disclosure Document and Franchise Agreement is agreed to this ___ day of _____, 20___, and effectively amends and revises said Disclosure Document and Franchise as follows:

All fees paid to Franchisor by Franchisee, including the Initial Franchise Fee and including payments for goods and services received from Franchisor before the business opens are deferred pending satisfaction of all the Franchisor's material pre-opening obligations to the Franchisee.

Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. §§ 14-201 to -233.
Fair Distributorship Act, Md. Code Ann., Com. Law II §§ 11-1301 to -1307.

Choice of law and forum

Section 14-216(c)(25) of the Maryland Franchise Law requires a franchisor to file an irrevocable consent to be sued in Maryland. A franchisee may sue in Maryland for claims arising under that Law.

Advertising

Under Sections 02.02.08.04B(2) and 02.02.08.16G(1) of the Code of Maryland Regulations, franchisee's may obtain an accounting of advertising expenditures. This accounting will be provided to you upon your written request.

Periods of Limitation

Under Section 14-227(e) of the Maryland Franchise Law, a franchisee may bring a lawsuit in Maryland for claims arising under that Law for a period of three years after a franchise is granted.

Waivers and Releases

Section 14-226 of the Maryland Franchise Law and Section 02.02.08.16L of the Code of Maryland Regulations prohibit a franchisor from requiring a prospective franchisee to assent to any release, estoppel or waiver of liability as a condition of purchasing, renewing or assigning a franchise. When prospective franchisees disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Maryland Law when purchasing a franchise, such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Law. Any general release required as a condition of renewal, sale, transfer or assignment shall not apply to any liability under the Law.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of 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.

IN WITNESS WHEREOF the parties hereto have executed this Amendment to be effective concurrently with the Franchise Agreement.

"**Franchisee**"	**"Franchisor":**
	BAHAMA BUCK'S FRANCHISE CORPORATION, an Arizona corporation
By: _____ (Signature)	By: _____ (Signature)
_____ (Type or Print Name)	**Eric M. Lee** (Type or Print Name)
Its: Owner (Title)	Its: **Chief Financial Officer|Secretary** (Title)
By: _____ (Signature)	
_____ (Type or Print Name)	
Its: Owner (Title)	

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ADDENDUM
TO THE FRANCHISE AGREEMENT OF
BAHAMA BUCK'S FRANCHISE CORPORATION
REQUIRED BY THE STATE OF MINNESOTA

This addendum to the Disclosure Document is agreed this _____, and effectively amends and revises said Disclosure Document and Franchise Agreement as follows:

DESPITE THE PAYMENT PROVISIONS NOTED IN THIS ITEM, ALL INITIAL FRANCHISE FEES AND PAYMENTS SHALL BE DEFERRED UNTIL AFTER ALL OF THE FRANCHISOR'S INITIAL OBLIGATIONS ARE COMPLLESE AND FRANCHISEE IS OPEN FOR BUSINESS**.**

1. Item 13 of the Disclosure Document and Article 8.4 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

> "In accordance with applicable requirements or Minnesota law, Franchisor shall protect Franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or shall indemnify Franchise from any loss, costs or expenses arising out of any claim, suit or demand regarding such use."

2. Item 17 of the Disclosure Document and Article 10 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

> "Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Stat. Sec. 80c.14, Subd.3, 4 and 5 require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Disclosure Document."

3. Item 17 of the Disclosure Document and Section 11.8 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

> "Minn. Stat. Sec. 80C.21 and Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Disclosure Document or agreements can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of jurisdiction."

4. Item 17 of the Disclosure Document and Section 4.2 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

> "Minn. Rule 2860.4400D prohibits us from requiring you to assent to a general release."

5. Any reference to liquidated damages in the Franchise Agreement are hereby deleted in accordance with Minn. Rule 2860.4400J which prohibits requiring you to consent to liquidated damages.

6. In Section 14.4.2 of the Franchise Agreement, the sentence, "Subject to state law, you agree that any arbitration award will not be pursued on a class action basis and you waive any rights to a class action arbitration," is hereby deleted in accordance with Minn. Rule 2860.4400J which prohibits waiver of a jury trial.

7. Section 11.10 of the Franchise Agreement regarding Limitations of Claims is hereby amended to comply with Minn. Stat. §80C.17, Subd. 5.

8. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of 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.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____.

"**Franchisee**"	**"Franchisor":**
	BAHAMA BUCK'S FRANCHISE CORPORATION, an Arizona corporation
By: _____ (Signature)	By: _____ (Signature)
_____ (Type or Print Name)	**Eric M. Lee** (Type or Print Name)
Its: Owner (Title)	Its: **Chief Financial Officer|Secretary** (Title)
By: _____ (Signature)	
_____ (Type or Print Name)	
Its: Owner	

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ADDENDUM
TO THE FRANCHISE AGREEMENT OF
BAHAMA BUCK'S FRANCHISE CORPORATION
REQUIRED BY THE STATE OF VIRGINIA

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owned by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

The undersigned does hereby acknowledge receipt of this addendum. Dated this _____ day of _____ 20_____.

"**Franchisee**"	**"Franchisor":**
	BAHAMA BUCK'S FRANCHISE CORPORATION, an Arizona corporation
By: _____	By: _____
(Signature)	(Signature)
_____	**Eric M. Lee**
(Type or Print Name)	(Type or Print Name)
Its: Owner	Its: **Chief Financial Officer|Secretary**
(Title)	(Title)
By: _____	
(Signature)	
_____	
(Type or Print Name)	
Its: Owner	

ADDENDUM
TO THE FRANCHISE AGREEMENT OF
BAHAMA BUCK'S FRANCHISE CORPORATION
REQUIRED BY THE STATE OF WASHINGTON

This document will serve as the State Addendum for Bahama Buck's Franchise Corporation for the State of Washington (this "Addendum") for Bahama Buck's Franchise Corporation's Franchise Disclosure Document and for its Franchise Agreement.

In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all initial training that it is entitled to under the franchise agreement or any offering circular, and (b) is open for business.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of 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.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

The undersigned does hereby acknowledge receipt of this addendum. Dated this _____ day of _____ 20_____.

"**Franchisee**"	**"Franchisor":**
_____	**BAHAMA BUCK'S FRANCHISE CORPORATION**, an Arizona corporation
By: _____ (Signature)	By: _____ (Signature)
_____ (Type or Print Name)	**Eric M. Lee** (Type or Print Name)
Its: Owner (Title)	Its: **Chief Financial Officer|Secretary** (Title)
By: _____ (Signature)	
_____ (Type or Print Name)	
Its: Owner	

EXHIBIT D

MULTI-STORE AMENDMENT

This Multi-Store Amendment (the "**Amendment**") is made as of _____ by and between BAHAMA BUCK'S FRANCHISE CORPORATION, an Arizona corporation ("**Bahama Buck's,**" "**us,**" " **we**" **or** "**our**"), and _____ ("**Franchisee,**" "**you**" **or** "**your**"), as an amendment to the Franchise Agreement (the "**Franchise Agreement**") dated as of _____ by and between you and us.

A. You wish to have the right and obligation to develop and operate more than one BAHAMA BUCK'S ORIGINAL SHAVED ICE COMPANY retail business (the **"Franchise Business**"), at locations selected by you and approved by us, under a separate franchise agreement for each Franchise Business for a particular territory within a geographical Area.

B. We wish to grant you the right to develop and operate more than one Franchise Business under the terms and conditions stated in this Amendment.

C. All capitalized terms used in this Amendment have the meanings defined in your Franchise Agreement unless they are specifically defined differently in this Amendment.

D. This Amendment is hereby incorporated by reference into your Franchise Agreement.

1. DEVELOPMENT AREA.

1.1 Definition. You shall open the BAHAMA BUCK'S retail business referred to in Section 2.1 of this Amendment within the following area (the "**Development Area**"):

1.2 Your Protected Rights. As long as you are in compliance with the development schedule in Section 2.1 of this Amendment and are not otherwise in material default of this Amendment or the Franchise Agreement, then until the opening of the last Franchise Business you are obligated to open as provided in Section 2.1 of this Amendment, we agree that we will not by ourselves or through other franchisees, permit any other BAHAMA BUCK'S retail businesses to be located in the Development Area. We may, ourselves, establish BAHAMA BUCK'S retail businesses within or contiguous to any resort, shopping mall, hospital, educational facility, amusement park, sports facility, museum, theater, airport, bus or railway station, or national or regional chain (having units in two or more states), or under any contract with the federal government, national or regional "chain" store (having stores in two or more states) located in or out of the Development Area; provided, however, we shall give you a first right of refusal to handle any business or open a BAHAMA BUCK'S retail business in the Development Area if we have the right to do so under the terms of the contract for any such business or location. You shall have ten business days to exercise any right of refusal. We may, however, operate or license an outlet or another similar type of business located anywhere outside the Development Area, even if in close proximity to the Development Area.

1.3 Reversion of Development Area. Following the opening of the last BAHAMA BUCK'S retail business referred to in Section 1.2, the Development Area will revert back to us. At that time, we may ourselves, or through other franchisees, permit another BAHAMA BUCK'S retail business to be located in the Development Area so long as such other stores are not located within the territory for each of your Franchise Businesses developed pursuant to this Amendment, as stated in each retail business' franchise agreement.

2. DEVELOPMENT OBLIGATIONS.

2.1 Schedule. You agree to lease (or purchase) sites for, construct, open, and continuously thereafter operate the following number of BAHAMA BUCK'S retail businesses within the designated cities or other areas (including the first BAHAMA BUCK'S retail business to be opened pursuant to the Franchise Agreement) in strict accordance with the following development schedule and the requirements of this Amendment and the separate franchise agreements for each such BAHAMA BUCK'S retail business:

Number of Months Elapsed from Date of This Amendment	Cumulative Number of Stores for Which Leases and Franchise Agreements Must Be Signed	Location of Stores To Be Opened	Cumulative Number of Stores That Must Be Open

2.2 Site Selection. You shall select a specific location within the Development Area for each BAHAMA BUCK'S retail business in accordance with our guidelines. Each site selected is subject to our prior written approval in accordance with the Franchise Agreement for that retail location.

2.3 Lease. The purchase contract or lease for the site of each BAHAMA BUCK'S retail business is subject to our prior written approval. Each lease shall expressly provide that if you default, the lessor shall give us the same notice required to be given to you, and we shall have the right, but not the obligation, to cure the default (the cost of which shall be immediately reimbursed to us by you) and succeed to your rights under the lease. The lease shall also expressly provide that it is immediately assumable by us, at our option, upon termination or expiration and nonrenewal of the franchise agreement for that BAHAMA BUCK'S retail business without further authorization or consent of the lessor. You shall provide us with equivalent rights if the BAHAMA BUCK'S retail business is operated on property owned by you.

2.4 Franchise Agreement. Each Franchise Business will be developed and operated under a separate franchise agreement. Upon the approval by us of the site and lease for a BAHAMA BUCK'S retail business location, we shall provide you with our current form of franchise agreement. You shall execute it as instructed and pay us the balance of the initial Franchise Fee for that store as provided in Section 3.2 below. You shall have no right to construct or operate a BAHAMA BUCK'S retail business at the location until we have executed the franchise agreement. If you do not execute the franchise agreement and pay the initial Franchise Fee to us within 15 business days after receiving the agreement, our approval of the

site and lease shall be void and you shall have no right whatsoever to construct or open a BAHAMA BUCK'S retail business at that location.

3. FEES.

3.1 Development Fee. Upon signing this Amendment, you agree that you will pay us a development fee (the "**Development Fee**") of $_____ (50% of the total Franchise Fees as provided in Section 3.2 below for all BAHAMA BUCK'S retail businesses to be opened pursuant to this Amendment excluding the first store). The Development Fee shall be fully earned and nonrefundable upon our signing of this Amendment, but shall be credited against your initial Franchise Fees for all stores other than the first store as provided in Section 3.2 below. The Development Fee will be due on the same date that the initial franchise fee is due for your first BAHAMA BUCK'S retail businesses as further stated in that franchise agreement.

3.2 Initial Franchise Fees. The initial Franchise Fees for each of your BAHAMA BUCK'S retail business to be opened pursuant to this Amendment shall be the amounts shown in the following chart, which shall be payable to us by you to us for each retail business upon the terms of the franchise agreement for that Franchise Business, as provided in Section 2.4 above.

Franchise Business Number	Total Initial Franchise Fee	Development Fee (Due on the same date as the Initial Franchise Fee for Business No. 1)	Balance of Initial Franchise Fee (Payable under the terms of the Franchise Agreement for the Franchise Business)
1	$34,500 (payable upon signing Franchise Agreement)	Not applicable	Not applicable
2	$34,500	$17,250	$17,250
3	$34,500	$17,250	$17,250
4	$34,500	$17,250	$17,250
5	$34,500	$17,250	$17,250

4. TERMINATION OF DEVELOPMENT RIGHTS.

4.1 Reasonableness. You represent that you have conducted your own independent investigation and analysis of the prospects for the establishment of BAHAMA BUCK'S retail businesses within the Development Area; approve of the development schedule in Section 3.1 above as being above as being reasonable and viable; and recognize that failure to achieve the results required by the development schedule will constitute a material breach of this Amendment.

4.2 Extensions. The time periods listed in Section 2.1 above shall be extended only if you can demonstrate to our reasonable satisfaction that the need for additional time is due to unforeseeable delays not due to your neglect, misconduct or financial inability. Any extension must be in writing.

4.3 Termination of Development Rights. If you fail to meet the development schedule set forth in Section 2.1 above, we may, at our option, elect to terminate this Amendment, effective 30 days after giving you written notice of termination if you have not cured the default and met the development schedule within the 30 day period. Any termination

shall end all your rights and future obligations under this Amendment, including without limitation your interests in the Development Area and rights to open additional BAHAMA BUCK'S retail businesses. Any failure to meet the development schedule shall not otherwise constitute a breach or default of the Franchise Agreement nor be grounds for termination of the Franchise Agreement. Furthermore, any other franchise agreements entered into by you and us pursuant to this Amendment shall remain in full force and effect notwithstanding any termination of this Amendment based solely on your failure to meet the development schedule as provided in Section 2.1.

4.4 Termination of Franchise Agreement. Any material breach or default of this Amendment by you other than your failure to meet the development schedule set forth in Section 2.1 above shall constitute a material default under the Franchise Agreement, and shall entitle us to all of the rights and remedies provided in the Franchise Agreement, including without limitation the right to terminate the Franchise Agreement and this Amendment as provided in Section 13 of the Franchise Agreement.

5. INTERPRETATION. If there is any conflict between the express provisions of this Amendment and the Franchise Agreement or any franchise agreement for additional BAHAMA BUCK'S retail businesses entered into pursuant to this Amendment, the terms of this Amendment shall control. Except as expressly amended by this Amendment, the Franchise Agreement shall remain in full force and effect.

Notwithstanding the foregoing, nothing in this or any related agreement is intended to disclaim the representations made in the franchise disclosure document.

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IN WITNESS WHEREOF, the parties have signed this Multi-Store Amendment as of the date first above written.

Franchisee:	Franchisor: **BAHAMA BUCK'S FRANCHISE CORPORATION**, an Arizona corporation
By: _____ (Signature)	By: _____ (Signature)
_____ (Type or Print Name)	**Eric M. Lee** (Type or Print Name)
Its: _____ (Title)	Its: **Chief Financial Officer | Secretary** (Title)
By: _____ (Signature)	
_____ (Type or Print Name)	
Its: _____ (Title)	

Exhibit to the Multi-Store Amendment

ADDENDUMS REQUIRED BY STATE LAW

In addition to the laws stated in Exhibit B to the Franchise Disclosure Document, the following Items are required to be included within the Disclosure Document by the states specified below and shall be deemed to supersede the language in the Disclosure Document and Franchise Agreement itself:

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ADDENDUM
TO THE FRANCHISE AGREEMENT OF
BAHAMA BUCK'S FRANCHISE CORPORATION
REQUIRED BY THE STATE OF CALIFORNIA

California:

Cover Page Risk Factor

THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION REQUIRES US TO DEFER PAYMENT OF THE INITIAL FRANCHISE FEE AND OTHER INITIAL PAYMENTS OWED BY FRANCHISEES TO THE FRANCHISOR UNTIL THE FRANCHISOR HAS COMPLETED ITS PRE-OPENING OBLIGATIONS UNDER THE FRANCHISE AGREEMENT.

Waivers and Releases

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.

"**Franchisee**"	**"Franchisor":**
	BAHAMA BUCK'S FRANCHISE CORPORATION, an Arizona corporation
By: _____ (Signature)	By: _____ (Signature)
_____ (Type or Print Name)	**Eric M. Lee** (Type or Print Name)
Its: Owner (Title)	Its: **Chief Financial Officer|Secretary** (Title)
By: _____ (Signature)	
_____ (Type or Print Name)	
Its: Owner (Title)	

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ADDENDUM
TO THE FRANCHISE AGREEMENT OF
BAHAMA BUCK'S FRANCHISE CORPORATION
REQUIRED BY THE STATE OF HAWAII

Hawaii

THE HAWAII DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS REQUIRES US TO DEFER PAYMENT OF THE INITIAL FRANCHISE FEE AND OTHER INITIAL PAYMENTS OWED BY FRANCHISEES TO THE FRANCHISOR UNTIL THE FRANCHISOR HAS COMPLETED ITS PRE-OPENING OBLIGATIONS UNDER THE FRANCHISE AGREEMENT.

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

(*Signatures on Following Page*)

"**Franchisee**"	**"Franchisor":** **BAHAMA BUCK'S FRANCHISE CORPORATION**, an Arizona corporation
By: _____ (Signature)	By: _____ (Signature)
_____ (Type or Print Name)	**Eric M. Lee** (Type or Print Name)
Its: Owner (Title)	Its: **Chief Financial Officer|Secretary** (Title)
By: _____ (Signature)	
_____ (Type or Print Name)	
Its: Owner (Title)	

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ADDENDUM
TO THE FRANCHISE AGREEMENT OF
BAHAMA BUCK'S FRANCHISE CORPORATION
REQUIRED BY THE STATE OF ILLINOIS

This addendum to the Disclosure Document and Multi-Store Amendment is agreed to this _____ and effectively amends and revises said Disclosure Document and Franchise as follows:

Illinois law governs the Franchise Agreement and Multi-Store Amendment.

Payment of the initial franchise fee/development fees will be deferred until the Franchisor has met its initial obligations to the franchisee and the franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to the Franchisor's financial condition.

In conformance with Section 4 of the Illinois Disclosure Act, any provision in a Franchise Agreement that designates jurisdiction or venue in a forum outside of Illinois is void. However, a Franchise Agreement may provide for arbitration 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 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.

Bahama Buck's may enter into agreements for special or national accounts. You will be given the option of providing the services at the locations within your Territory if the agreement permits. If you do not elect to do so upon the terms Bahama Buck's has contracted for, then Bahama Buck's or someone else it selectsmay do so without any payment to you.

(*Signatures on Following Page*)

"**Franchisee**"	**"Franchisor":**
	BAHAMA BUCK'S FRANCHISE CORPORATION, an Arizona corporation
By:	By:
(Signature)	(Signature)
	Eric M. Lee
(Type or Print Name)	(Type or Print Name)
Its: Owner	Its: **Chief Financial Officer|Secretary**
(Title)	(Title)
By:	
(Signature)	
(Type or Print Name)	
Its: Owner	
(Title)	

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ADDENDUM
TO THE FRANCHISE AGREEMENT OF
BAHAMA BUCK'S FRANCHISE CORPORATION
REQUIRED BY THE STATE OF NEW YORK

Choice of Law and Forum

The franchise agreement has been made and accepted in the State of Florida and it will be interpreted in accordance with and governed by the laws of the State of Florida and any applicable federal and state franchise laws. You hereby consent to jurisdiction in Florida. However, the foregoing choice of law should not be considered a waiver of any right conferred upon the Franchisor or upon the Franchisee by Article 33 of the General Business Law of the State of New York.

IN WITNESS WHEREOF the parties hereto have executed this Amendment to be effective concurrently with the Franchise Agreement.

"**Franchisee**"	**"Franchisor":**
	BAHAMA BUCK'S FRANCHISE CORPORATION, an Arizona corporation
By: _____ (Signature)	By: _____ (Signature)
_____ (Type or Print Name)	**Eric M. Lee** (Type or Print Name)
Its: Owner (Title)	Its: **Chief Financial Officer|Secretary** (Title)
By: _____ (Signature)	
_____ (Type or Print Name)	
Its: Owner (Title)	

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ADDENDUM
TO THE FRANCHISE AGREEMENT OF
BAHAMA BUCK'S FRANCHISE CORPORATION
REQUIRED BY THE STATE OF MARYLAND

This addendum to the Disclosure Document and Franchise Agreement is agreed to this ___ day of _____, 20___, and effectively amends and revises said Disclosure Document and Franchise as follows:

All fees paid to Franchisor by Franchisee, including the Initial Franchise Fee and including payments for goods and services received from Franchisor before the business opens are deferred pending satisfaction of all the Franchisor's material pre-opening obligations to the Franchisee.

Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. §§ 14-201 to -233.
Fair Distributorship Act, Md. Code Ann., Com. Law II §§ 11-1301 to -1307.

Choice of law and forum

Section 14-216(c)(25) of the Maryland Franchise Law requires a franchisor to file an irrevocable consent to be sued in Maryland. A franchisee may sue in Maryland for claims arising under that Law.

Advertising

Under Sections 02.02.08.04B(2) and 02.02.08.16G(1) of the Code of Maryland Regulations, franchisee's may obtain an accounting of advertising expenditures. This accounting will be provided to you upon your written request.

Periods of Limitation

Under Section 14-227(e) of the Maryland Franchise Law, a franchisee may bring a lawsuit in Maryland for claims arising under that Law for a period of three years after a franchise is granted.

Waivers and Releases

Section 14-226 of the Maryland Franchise Law and Section 02.02.08.16L of the Code of Maryland Regulations prohibit a franchisor from requiring a prospective franchisee to assent to any release, estoppel or waiver of liability as a condition of purchasing, renewing or assigning a franchise. When prospective franchisees disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Maryland Law when purchasing a franchise, such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Law. Any general release required as a condition of renewal, sale, transfer or assignment shall not apply to any liability under the Law.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of 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.

IN WITNESS WHEREOF the parties hereto have executed this Amendment to be effective concurrently with the Franchise Agreement.

"**Franchisee**"	**"Franchisor":**
	BAHAMA BUCK'S FRANCHISE CORPORATION, an Arizona corporation
By: _____	By: _____
(Signature)	(Signature)
_____	**Eric M. Lee**
(Type or Print Name)	(Type or Print Name)
Its: Owner	Its: **Chief Financial Officer|Secretary**
(Title)	(Title)
By: _____	
(Signature)	
_____	
(Type or Print Name)	
Its: Owner	
(Title)	

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ADDENDUM
TO THE FRANCHISE AGREEMENT OF
BAHAMA BUCK'S FRANCHISE CORPORATION
REQUIRED BY THE STATE OF MINNESOTA

This addendum to the Disclosure Document is agreed this _____, and effectively amends and revises said Disclosure Document and Franchise Agreement as follows:

DESPITE THE PAYMENT PROVISIONS NOTED IN THIS ITEM, ALL INITIAL FRANCHISE FEES AND PAYMENTS SHALL BE DEFERRED UNTIL AFTER ALL OF THE FRANCHISOR'S INITIAL OBLIGATIONS ARE COMPLETE AND FRANCHISEE IS OPEN FOR BUSINESS.

1. Item 13 of the Disclosure Document and Article 8.4 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

> "In accordance with applicable requirements or Minnesota law, Franchisor shall protect Franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or shall indemnify Franchise from any loss, costs or expenses arising out of any claim, suit or demand regarding such use."

2. Item 17 of the Disclosure Document and Article 10 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

> "Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Stat. Sec. 80c.14, Subd.3, 4 and 5 require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Disclosure Document."

3. Item 17 of the Disclosure Document and Section 11.8 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

> "Minn. Stat. Sec. 80C.21 and Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Disclosure Document or agreements can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of jurisdiction."

4. Item 17 of the Disclosure Document and Section 4.2 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

> "Minn. Rule 2860.4400D prohibits us from requiring you to assent to a general release."

5. Any reference to liquidated damages in the Franchise Agreement are hereby deleted in accordance with Minn. Rule 2860.4400J which prohibits requiring you to consent to liquidated damages.

6. In Section 14.4.2 of the Franchise Agreement, the sentence, "Subject to state law, you agree that any arbitration award will not be pursued on a class action basis and you waive any rights to a class action arbitration," is hereby deleted in accordance with Minn. Rule 2860.4400J which prohibits waiver of a jury trial.

7. Section 11.10 of the Franchise Agreement regarding Limitations of Claims is hereby amended to comply with Minn. Stat. §80C.17, Subd. 5.

8. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of 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.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____.

"**Franchisee**"	**"Franchisor":**
	BAHAMA BUCK'S FRANCHISE CORPORATION, an Arizona corporation
By: _____ (Signature)	By: _____ (Signature)
_____ (Type or Print Name)	**Eric M. Lee** (Type or Print Name)
Its: Owner (Title)	Its: **Chief Financial Officer|Secretary** (Title)
By: _____ (Signature)	
_____ (Type or Print Name)	
Its: Owner	

ADDENDUM
TO THE FRANCHISE AGREEMENT OF
BAHAMA BUCK'S FRANCHISE CORPORATION
REQUIRED BY THE STATE OF VIRGINIA

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owned by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

The undersigned does hereby acknowledge receipt of this addendum. Dated this _____ day of _____ 20_____.

"**Franchisee**"	**"Franchisor":** **BAHAMA BUCK'S FRANCHISE CORPORATION**, an Arizona corporation
_____	_____
By: _____ (Signature)	By: _____ (Signature)
_____ (Type or Print Name)	**Eric M. Lee** (Type or Print Name)
Its: Owner (Title)	Its: **Chief Financial Officer|Secretary** (Title)
By: _____ (Signature)	
_____ (Type or Print Name)	
Its: Owner	

ADDENDUM
TO THE FRANCHISE AGREEMENT OF
BAHAMA BUCK'S FRANCHISE CORPORATION
REQUIRED BY THE STATE OF WASHINGTON

This document will serve as the State Addendum for Bahama Buck's Franchise Corporation for the State of Washington (this "Addendum") for Bahama Buck's Franchise Corporation's Franchise Disclosure Document and for its Franchise Agreement.

In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all initial training that it is entitled to under the franchise agreement or any offering circular, and (b) is open for business.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of 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.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

The undersigned does hereby acknowledge receipt of this addendum. Dated this _____ day of _____ 20_____.

"**Franchisee**"	**"Franchisor":**
	BAHAMA BUCK'S FRANCHISE CORPORATION, an Arizona corporation
By: _____ (Signature)	By: _____ (Signature)
_____ (Type or Print Name)	**Eric M. Lee** (Type or Print Name)
Its: Owner (Title)	Its: **Chief Financial Officer|Secretary** (Title)
By: _____ (Signature)	
_____ (Type or Print Name)	
Its: Owner	

EXHIBIT E

BAHAMA BUCK'S OPERATIONS MANUAL

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EXHIBIT F

CURRENT FRANCHISEES

INDEPENDENTLY OWNED AND OPERATED BY FRANCHISEES
(as of December 31, 2024)

tore	Store Address 1	City	State	Zip	Store Phone	Owner
Alabama (1)						
AL1202	**25747 Perdido Beach Blvd.**	**Orange Beach**	**AL**	**36561**	**(251) 395-7582**	**Sea, Sand, and Sno, LLC – Amber and Lexi Beck**
ARIZONA (15)						
AZ1114	4040 S Arizona Avenue, Suite 23	Chandler	AZ	85248	(480) 219-5899	Frosted Sno Ocotillo, LLC – Scott and Tyler Molesworth
AZ1113	865 S Cooper Road	Gilbert	AZ	85233	(480) 786-9420	SnoFam, LLC – Tyler Girtman
AZ1115	3306 S Higley Road, Suite 106	Gilbert	AZ	85297	(480) 988-3390	SnoFam, LLC – Tyler Girtman
AZ1117	7450 S 35th Avenue	Laveen	AZ	85339	(602) 714-5224	Arizona Avalanche Inc. - Glenn and Tina Beattie
AZ1138	17470 N Porter Road	Maricopa	AZ	85138	(520)374-5799	Saphire Standards, LLC - Collins and Adelaide Appiah
AZ1109	2235 S Power Road, Suite 111	Mesa	AZ	85208	(480) 654-0079	Frosted Sno Power, LLC – Scott and Tyler Molesworth
AZ1111	1959 S Signal Butte Road, Suite 103	Mesa	AZ	85207	(480) 354-1509	SnoCastle, LLC - Lance and Karen PackerFrosted Sno Signal Butte, LLC - Scott and Tyler Molesworth
AZ1112	446 N Higley Road, Suite 101	Mesa	AZ	85205	(480) 981-8669	Frosted Sno Higley, LLC – Scott and Tyler Molesworth
AZ1122	3121 E Greenway Road, Suite 201	Phoenix	AZ	85032	(602) 569-1505	Arizona Avalanche Inc. - Glenn and Tina Beattie
AZ1137	4910 E Chandler Blvd, Suite 101	Phoenix	AZ	85048	(480) 553-7211	MyCole, LLC - Michael and Nicole Draper
AZ1143	3730 N Glassford Hill Road	Prescott Valley	AZ	86315	(928) 237-3039	Pleasant Blessings, LLC – Jestin and Nicole Pleasant
AZ1104	303 East Southern Avenue, Suite 101	Southern Mesa	AZ	85210	(480) 898-3036	Sun & Sno LLC - Ryan and Richard Cooper
AZ1101	1006 East Warner Road, Suite 101	Tempe	AZ	85284	(480) 777-9482	SnoFam, LLC – Tyler Girtman
AZ1118	8585 E Broadway Blvd	Tucson	AZ	85710	(520) 647-2671	Arizona Avalanche Inc. - Glenn and Tina Beattie
AZ1116	21137 E Rittenhouse Road, Suite 101	Queen Creek	AZ	85142	(480) 828-3680	SnoCastle 2 LLC - Lance and Karen Packer
CALIFORNIA (1)						
CA1203	27511 San Bernardino Avenue, Suite E_140	Redlands	CA	92374	(909) 793-2838	Burroughs Paradise, INC – Jennifer Burroughs
COLORADO (2)						
CO1205	8204 S University Blvd	Centennial	CO	80122	(303) 221-4056	Mallows 5, LLC - Adam and Kaci Cotton
CO1207	3003 W 104th Avenue, Suite 500	Westminster	CO	80031	(720) 531-5141	Go Sno Enterprises, LLC - Gabe and Liliana Gomez
FLORIDA (6)						
FL1229	1258 Kingsway Road, Suite 15	Brandon	FL	33510	(813) 548-0341	RBA Management, LLC - Brian and Tamara Agnew
FL1209	1209 Main Street, Suite 116	Jupiter	FL	33458	(561) 318-8102	BRINC LLC - Brian and Kamila Brink
FL1215	3238 Margaritaville Blvd Shoppes at Sunset Walk	Kissimmee	FL	34747	(407) 507-1454	Alix Global LLC - Randy and Jorja Voorhies
FL1205	8527 Gunn Highway	Odessa	FL	33556	(813) 616-8801	RBA Management, LLC – Brian and Tamara Agnew
FL1218	11234 S Orange Blossom Trail	Orlando	FL	32837	(407) 203-2395	Ice Orlando LLC - Kunal Patel
FL1223	8815 Mitchell Blvd	Trinity	FL	34655	(727) 339-3539	This is Our Farm, Inc. – Bart and Jana Catmull
LOUISIANA (1)						
LA1207	4740 Nelson Road, Suite 100	Lake Charles	LA	70605	(337) 602-6274	Sneaux Devil, LLC – Paul Teraberry
MISSOURI (2)						
MO1201	6010 Mid Rivers Mall Drive	St. Peters	MO	63304	(636) 922-9955	Latitude 25, LLC - Roger and Sydney Rekus
MO1202	2843 W 76 Country Blvd	Branson	MO	65616	(417) 263-3787	Chill Out, LLC – Tammy Roberts
NEW MEXICO (5)						
NM1202	8810 Holly Avenue, Suite A	Albuquerque	NM	87122	(505) 273-5231	Peace and Prosperity, LLC - Andy and Mari Banuelos
NM1203	10131 Coors Rd NW, Suite L-3	Albuquerque	NM	87114	(505) 890-7669	Buck Up! Enterprises – Jamie Buckner

tore	Store Address 1	City	State	Zip	Store Phone	Owner
NM1204	4411 San Mateo Blvd NE, Suite E12	Albuquerque	NM	87109	(505) 888-8947	Peace and Prosperity LLC - Andy and Mari Banuelos
NM1201	3204 N Prince St	Clovis	NM	88101	(575) 935-2825	Frost Ventures LLC - Ace and Lindsey Boles
NM1206	107 East Mescalero Rd., Suite	Roswell	NM	88201	(575) 755-2242	Majec Snow, LLC - Mike and Alicia Gonzales
NEVADA (1)						
NV1203	6315 Losee Road, Suite 101	North Las Vegas	NV	89081	(702) 399-2055	It's Sno Time LLC – Tyler and Katie Foote
OKLAHOMA (2)						
OK1201	1468 N Kelly Avenue	Edmond	OK	73003	(405) 513-8247	OKCBB Inc – Dennis and Sue Tapp
OK1200	761 SW 19th Street, Suite 103	Moore	OK	73160	(405) 237-3937	OKCBB Inc – Dennis and Sue Tapp
PUERTO RICO (1)						
PR1200	PR167 Int PR29, Plazoleta del Canton	Bayamon	PR	961	(787) 966-7663	Coqui Ice Company LLC - Chuck and Kathy Adcox
TENNESSEE (2)						
TN1202	2029 Tiny Town Road Suite A	Clarksville	TN	37042	(931) 919-2004	Sno Ventures, LLC – Bill and Cierra Netherton
TN12030	1101 Meadowhill Lane Suite H	Clarksville	TN	37043	(931) 346-7622	Sno Ventures, LLC – Bill and Cierra Netherton[1]
TEXAS (69)						
TX1339	2519 North Judge Ely	Abilene	TX	79601	(325) 704-3036	Sno Business LLC – Dodd and Kelly Roberts
TX1234	715 Main Street	Allen	TX	75002	(972) 954-7229	Texas Sno Corp - Bill and Brenda Weyrens
TX1212	5509 Bell Street	Amarillo	TX	79109	(806) 677-5940	Frost Ventures LLC-Ace and Lindsey Boles
TX1214	1921 S Western Street	Amarillo	TX	79106	(806) 331-5208	Frost Ventures LLC-Ace and Lindsey Boles
TX1337	1630 E Lamar Blvd, Suite 100	Arlington	TX	76011	(682) 238-3113	2MVRX LLC – Niddal Abedrabbo and Adeel Hozri
TX1303	105 E Stassney Lane, Suite 200	Austin	TX	78745	(512) 761-4870	Weird Ice Inc - Mark and Tricia Sims
TX1353	3944 RR 620 S, Building 7	Bee Cave	TX	78738	(737) 203-8517	ATX Sno, LLC - Shawn and Kelly McGrath
TX1356	1245 Main Street, Suite 200	Buda	TX	78610	(512) 295-0557	The Sno Life LLC - Roman Pena
TX1250	765 NW Summercrest Blvd, Suite 107	Burleson	TX	76028	(817) 295-5688	Bowen-Luig Enterprises LLC - Clinton and Kendra
TX1236	201 Holleman Dr E	College Station	TX	77840	(979) 696-9000	Vostok LLC - Joe and Laurie Roman
TX1312	6125 Saratoga Blvd	Corpus Christi	TX	78414	(361) 336-6252	Southern Snow LLC - Tien and Nancy Nguyen
TX1239	14030 Telge Road Suite J	Cypress	TX	77429	(281) 256-7366	KK Meier CO. LLC – Adrien Escobar
TX1283	15055 Fairfield Meadows Drive, Suite 180	Cypress	TX	77433	(281) 213-4295	SNOBEANS LLC - Kelly and Gena Bean
TX5201	17120 House & Hahl Rd	Cypress	TX	77433	(281) 579-9011	Gotta Lotta Sno,LLC - Chris and Christy Maisey
TX5203[2]	22515 Schiel Rd.	Cypress	TX	77433	(832) 284-5721	KK Meier Company LLC - Adrien Escobar
TX1277	6780 Abrams Street, Suite 107	Dallas	TX	75231	(972) 979-6035	Top Knife Services - Mark and Jessica Pool
TX1243	125 Chinn Chapel Road	Double Oak	TX	75077	(972) 355-1601	BPC Ark, Inc. – Ryan and Heather DeLapp
TX1323	436 Redd Road, Suite 105	El Paso	TX	79912	(915) 307-2377	Grupo Carrillo Inc - Mauricio and Linda Carrillo
TX1347	10771 Gateway S Blvd North Hills Crossing, Suite J101	El Paso	TX	79934	(915) 600-5588	Grupo Carrillo Inc - Mauricio and Linda Carrillo
TX1224	1718 N Zaragoza Road Zaraplex Shopping Centerm, Suite B2	El Paso	TX	79936	(915) 856-9494	Grupo Carrillo Inc - Mauricio and Linda Carrillo
TX1246	12380 Edgemere Blvd, Suite 101	El Paso	TX	79938	(915) 849-1760	Grupo Carrillo Inc - Mauricio and Linda Carrillo
TX1232	5636 N Tarrant Pkwy, Suite 100	Fort Worth	TX	76137	(817) 428-2222	SP Ventures LLC - Smit Shah and Prachee Patel
TX1295	2600 W 7th St Montgomery Plaza, Suite 181	Fort Worth	TX	76107	(817) 349-8488	Bowen-Luig Enterprises LLC - Clinton and Kendra
TX1359	11288 Legacy Drive	Frisco	TX	75033	(214) 436-4467	Fisco Bucks LLC – Brandon Ruk
TX1362	3806 State Highway, Suite 100	Grand Prairie	TX	75052	(972) 639-3310	Texas Yellow Sno, LLC – Phil and Jonathan Ferrant

[1] Store Closed 10/30/2025

[2] Alternative Venue

tore	Store Address 1	City	State	Zip	Store Phone	Owner
TX1256	200 Commercial Drive, Suite 101	Harker Heights	TX	76548	(254) 768-0713	Mar-Men 5 LLC - Henry Marshall and Greg Mendoza
TX1373	13005 Emerald Pass Avenue	Horizon City	TX	79928	(915) 234-2993	Grupo Carrillo, Inc. – Mauricio and Linda Carrillo
TX1257	11300 Katy Freeway	Houston	TX	77043	(281) 589-0002	Southern Snow LLC - Tien and Nancy Nguyen
TX1265	17045 FM 529	Houston	TX	77095	(281) 861-5949	SNO OVER IT, LLC – Adrian Escobar
TX1244	2006 Cinema Drive, Unit 100	Hudson Park	TX	76087	(682) 332-5554	HC Enterprises, LLC – Shawn Allen
TX1284	5444 Atascocita Road, Suite 108	Humble	TX	77346	(281) 205-8170	Raider Ice LLC - Eric Luttrell
TX1316	193 I-45 S, Suite F	Huntsville	TX	77340	(936) 439-6766	Klondike LLC -Lynn Beene, Joe and Laurie Roman
TX1259	2240 S Mason Road, Suite A	Katy	TX	77450	(832) 913-6347	A-10 Construction, LLC – Adam Sokol
TX5202[3]	555 Katy Ford Bend Rd	Katy	TX	77494	(435) 640-7196	Gotta Lotta Sno, LLC - Chris and Christy Maisey
TX1273	1355 E League City Pkwy, Suite 100	League City	TX	77573	(832) 905-6189	Murphalicous LLC – Donald and Stephanie Murphy
TX1242	2906 S Bagdad Road, Suite 400	Leander	TX	78641	(512) 528-6285	5M Sno Inc - Scott and Gerri Anne Morris
TX1219	2320 South Valley Pkwy	Lewisville	TX	75067	(972) 459-7000	Revenue Floes LLC - Matt Reven
TX1205	5818 4th Street	Lubbock	TX	79416	(806) 687-6320	Greenheart Investment Group, LLC - Zac Buchanan
TX1276	6103 FN 1477-b	Magnolia	TX	77354	(832) 521-5178	Sno Boys LLC - Al Michka and Craig Twardowski
TX1240	1571 E Debbie Lane, Suite 101	Mansfield	TX	76063	(682) 400-8588	Bowen-Luig Enterprises LLC - Clinton and Kendra
TX1231	2783 Virginia Pkwy	McKinney	TX	75071	(214) 592-9911	Premier Sno LLC Spencer O'Brien
TX1202	4521 W Loop 250 N	Midland	TX	79707	(432) 520-7797	Midessa Sno Inc - Marc and Jolie Hoffnagle Jolie
TX1318	19792 Highway 105 W Suite 105	Montgomery	TX	77356	(936) 449-1355	Montgomery Sno, LLC – Lara Hughes
TX1307	804 N Loop 337, Suite 105	New Braunfels	TX	78130	(830) 632-5109	Tropical Sno NB, LLC - Kai and Tiffany Mayne
TX1349	8240 E Highway 191	Odessa	TX	79765	(432) 614-1499	Midessa Sno Inc - Marc and Jolie Hoffnagle
TX1200	4230 N Grandview	Odessa	TX	79762	(432) 550-7727	Midessa Sno Inc - Marc and Jolie Hoffnagle
TX1274	12567 Broadway Street, Suite 111	Pearland	TX	77584	(281) 372-6459	SWEET SNO PEARLAND, LLC – Kevin Coffman
TX1367	1143 Harlem Road, Suite 500	Richmond	TX	77406	(832) 536-1716	Shaved Ice Franchises, LLC – Muhammad Salman
TX1325	852 E Highway 114 Suite 110	Roanoke	TX	76262	(682) 237-7124	BPC Ark, Inc. – Ryan and Heather DeLapp
TX1216	2025 Mims Road	Rockwall	TX	75087	(972) 771-3902	Rocksnow, LLC - Paul and Terri Webb
TX1251	2051 Gattis School Road, Suite B650	Round Rock	TX	78664	(512) 584-8399	5M Sno Inc - Scott and Gerri Anne Morris
TX1207	5300 Lakeview Pkwy	Rowlett	TX	75088	(214) 607-1748	Rocksnow, LLC - Paul and Terri Webb
TX1211	5040 TX-78	Sachse	TX	75048	(972) 495-3185	DnJSnow LLC – Bill and Linda Welch
TX1340	5789 Sherwood Way	San Angelo	TX	76901	(325) 703-6392	Sno Business LLC - Dodd and Kelly Roberts
TX1230	8910 Bandera Road, Suite 212	San Antonio	TX	78250	(210) 521-3700	Dynamite Sno Inc - Trudy and Toby Leal
TX1249	5851 NW Loop 410, Suite 101	San Antonio	TX	78238	(210) 402-1551	Ohana Sno, LLC – Marc Ruiz
TX1305	7022 S New Braunfels Avenue, Suite 101	San Antonio	TX	78223	(210) 507-2057	Ohana Sno LLC – Sandra and Marc Ruiz
TX1365	11840 Alamo Ranch Pkwy Suite 150	San Antonio	TX	78253	(210) 255-8613	MiCassa, LLC – Michael and Cassandra Hernandez
TX1285	3403 Louetta Road, Suite A	Spring	TX	77388	(281) 377-8482	Big Texas Sno, LLC - Rick and Valerie Loebig
TX1299	1227 Museum Square Drive, Suite F	Sugar Land	TX	77479	(281) 207-6360	DR K Shave Ice, LLC – Derrick Dalcour
TX1336	3501 N Belt Line Road, Suite120	Sunnyvale	TX	75182	(945) 536-2002	Seneca Village, LLC – Tony Morris
TX1348	5709 W Adams Avenue	Temple	TX	76502	(254) 231-3728	Mar-Man 5, LLC –Henry and Lisa Marshall
TX1215	2716 Palmer Highway	Texas City	TX	77590	(409) 945-7669	BGE Ventures Inc - Billy and Sherry Eaton
TX1361	4622 Windhaven Pkwy Suite 100	The Colony	TX	75056	(972) 410-0027	REVENue Floes 2, LLC – Matt and Traci Reven
TX1278	6621 S Broadway, Suite 200	Tyler	TX	75703	(903) 630-6413	SGD Holdings LLC - Jerry and Suzanne Dengler
TX1297	2310 Pat Booker Road	Universal City	TX	78148	(210) 437-1091	Sprechen Sie Ice LLC - Mark and Tricia Sims
TX1209[4]	5201 Bosque Blvd, Suite 600	Waco	TX	76710	(254) 399-6622	Rockin' Rawls LLC – Aaron and Kenneth Rawls
TX1358	2761 N Highway 77, Suite 100	Waxahachie	TX	75165	(972) 937-2070	Sno Crue Gang, LLC – Jessica Cervantes
TX1208	3203 Kemp Blvd	Wichita Falls	TX	76308	(940) 687-1141	Bowen-Luig Enterprises LLC - Clinton and Kendra

[3] Alternative Venue

[4] Formerly Corporate Store, purchased from Bahama Buck's Corporation 07/01/2021.

tore	Store Address 1	City	State	Zip	Store Phone	Owner
UTAH (4)						
UT1200	582 E 12300 S	Draper	UT	84020	(385) 275-4481	Sno 4 Days LLC - Kyle and Xana Bradley
UT1206	1015 N 500 E	North Salt Lake	UT	84054	(801) 292-7373	Sno Enterprises, LLC – William Howell
UT1202	2265 N University Pkwy	Provo	UT	84604	(385) 275-4425	MyCole, LLC-Michael and Nicole Draper
UT1208	2091 E Riverside Dr	Saint George	UT	84790	(435) 922-0004	Sno in Utah's Dixie LLC - Connor and Amber Shakespeare

OUTLETS OWNED AND OPERATED BY FRANCHISOR (as of December 31, 2024)

Store	Store Address 1	City	State	Zip	Store Phone	Owner
TX1103	2515 82nd Street, Suite 2	Lubbock	TX	79423	(806) 745-7088	BBFC
TX1104	5009 50th Street	Lubbock	TX	79414	(806) 281-1966	BBFC
TX1105	7718 Milwaukee Avenue, Suite 300	Lubbock	TX	79424	(806) 784-2405	BBFC

FRANCHISE AGREEMENTS SIGNED BUT OUTLET **NOT YET OPENED** (as of **December 31, 2024**)

NOTE: THESE WERE NOT OPENED AS OF 12/31/2024

Store #	**Address**	**City, State, Zip**	**Phone**	**Owner**
ARIZONA (15)				
AZ1124	TBD	Avondale	480-722-9196	Glenn and Tina Beattie
AZ1149	TBD	Buckeye	602-403-2900	Jason and Darrah LeVander
AZ1140	TBD	Bullhead City	213-761-4065	Ajaz Ramzan
AZ1125	TBD	Casa Grande	480-722-9196	Glenn and Tina Beattie
AZ1141	TBD	Casa Grande	480-729-0938	Collin and Adelaide Appiah
AZ1442	TBD	Casa Grande	480-729-0938	Collin and Adelaide Appiah
AZ1148	TBD	Deer Valley	602-350-1743	Amatus Fonge and Sumediah Nzuonkwelle
AZ1144	TBD	North Scottsdale	505-948-0013	Aaron and John Huskey
AZ1147	TBD	Peoria	505-688-3718	Alicia Macias
AZ1119	TBD	Phoenix	480-722-9196	Glenn and Tina Beattie
AZ1139	TBD	San Tan Valley	614-805-2857	Diji and Janelle Vaughan
AZ1143	TBD	Tempe	505-948-0013	Ryan Cooper
AZ1123	TBD	Tucson	480-722-9196	Glenn Beattie
AZ1150	TBD	Tucson (West)	480-246-2248	Jason and Courtney Alvarado
AZ1145	TBD	Waddell	602-403-2900	Jason and Darah LeVander
CALIFORNIA (5)				
CA1211	TBD	Apple Valley	760-221-3459	Michael Beserra
CA1209	TBD	Eastvale	902-262-1846	Amit and Poonam Patel
CA1210	TBD	Elk Grove	916-717-2079	Marc Barber
CA1212	TBD	Murrieta	469-995-5005	Aaron and Mindy Clements
CA1213	TBD	Oceanside	714-338-9117	Iris Duran
COLORADO (2)				
C01208	TBD	Castle Rock	405-816-8841	Graylan and Monica Stewart
CO1204	TBD	Parker	303-587-9765	Adam and Kaci Cotton
FLORIDA (18)				
FL1216	TBD	Davenport	817-915-2767	Randy and Jorja Voorhies
FL1210	TBD	Destin	210-501-8754	Chris and Elizabeth Reberk
FL1231	TBD	Jacksonville	208-412-5596	Michael and Kelsey Nevin
FL1234	TBD	Jacksonville Beach	352-219-3038	Elizabeth Alfuente and Matthew Wycoff
FL1230	TBD	Lakewood Ranch	602-791-3162	Brian and Tamara Agnew

Store #	Address	City, State, Zip	Phone	Owner
FL1216	TBD	Land O-Lakes	813-404-1579	Bart and Jana Catmull
FL1225	TBD	Lutz	813-404-1579	Bart and Jana Catmull
FL1236	TBD	Miami Gardens	305-546-5590	Thomas Nelson
FL1238	TBD	Naples	713-823-6280	Eric Urban
FL1220	TBD	Narcoossee	407-399-9017	Kunal Patel
FL1235	TBD	Navarre	731-324-0660	Courtney and Liz Jones
FL1237	TBD	Ocala	903-452-2356	Nathan Hanson
FL1212	TBD	Tallahassee	281-203-2525	Al Michka and Craig Twardowski
FL1227	TBD	Tampa	813-404-1579	Bart and Jana Catmull
FL1217	TBD	Orlando	817-915-2767	Randy and Jorja Voorhies
FL1219	TBD	Orlando	407-399-9017	Kunal Patel –
FL1232	TBD	Wellington	858-761-8544	Brian and Kamila Brink
FL1233	TBD	Winter Garden	615-892-9275	Noah and Elizabeth Treadway –
GEORGIA (2)				
GA1212	TBD	Johns Creek	469-476-6847	Milton Mattus
GA1213	TBD	Smyrna	609-575-4415	Mathe Mosney
KANSAS (1)				
KS1200	TBD	Overland Park	816-777-8377	Kaleb Danner
Louisiana (1)				
LA1208	TBD	Shreveport	318-415-9586	Darwin and Ree Jones
MARYLAND (1)				
MD1200	TBD	Waldorf	571-201-1146	Christopher and Toni Nurse
MISSISSIPPI (1)				
MS1200	TBD	Gulfport	214-251-3949	Karla Clark
NEW MEXICO (5)				
NM1205	TBD	Las Cruces	915-282-9043	Osvaldo Flores
NM1207	TBD	Bernalillo	505-553-2323	Brandon and Jessica Buckner
NM1208	TBD	Hobbs	432-352-3137	Michael Franco
NM1209	TBD	Carlsbad	432-352-3137	Michael Franco
NM1210	TBD	Albuquerque	505-350-7534	Chris Scott
NEVADA (4)				
NV1205	TBD	Henderson	702-271-9090	Brinnon and Erica Scott
NV1204	TBD	Las Vegas	702-202-7705	Shane and Jessica Gettle
NV1206	TBD	Las Vegas	702-271-9090	Brinnon and Erica Scott
NV1207	TBD	Las Vegas	702-271-9090	Brinnon and Erica Scott
NORTH CAROLINA (1)				
NC1200	TBD	Charlotte	804-514-9993	Darius Bullock
OKLAHOMA (3)				
OK1207	TBD	Broken Arrow	918-557-1450	Angelo and Paige Cuzalina
OK1202	TBD	Norman	405-623-4030	Dennis and Sue Tapp
OK1203	TBD	Oklahoma City	405-623-4030	Dennis and Sue Tapp
Tennessee (2)				
TN1201	TBD	Franklin	575-302-6565	Michelle Brannan
TN1204	TBD	Mt Juliet	717-414-4733	Brandon Smith
TEXAS (45)				
TX1338	TBD	Arlington	914-433-3656	Niddal Abedrabb
TX1391	TBD	Aubrey	682-365-8608	Chris and Chasity Cherry
TX1357	TBD	Austin	512-516-9066	Roman and LaVern Pena
TX1354	TBD	Austin (North)	512-944-9168	Shawn and Kelly McGrath
TX1384	TBD	Avondale	940-456-2128	Kelly and Christy Lanham
TX1381	TBD	Bulverde	254-339-7060	Holly Turpen
TX1252	TBD	Cedar Park	512-994-5468	Scott and Gerri Ann Morris
TX1324	TBD	Corinth	682-304-4544	Ryan and Heather DeLapp
TX1376	TBD	Cypress	832-723-3707	Chip Wilson
TX1368	TBD	Denton	972-561-0180	Qasim Akhtar and Momna Malik

Store #	Address	City, State, Zip	Phone	Owner
TX1379	TBD	Ennis	469-387-7029	Jeremy and Ashley French
TX1327	TBD	Forney	972-955-3933	Anthony Morris
TX1328	TBD	Fort Worth	940-733-1868	Clinton Bowen
TX1377	TBD	Fredericksburg	406-750-2725	Jason Knable
TX1287	TBD	Friendswood	832-385-0696	Donald and Stephanie Murphy
TX1386	TBD	Galveston	281-787-7353	Derrick and Kim Dalcour and Ryan Pham
TX1331	TBD	Georgetown	512-994-5458	Scott and Gerri Ann Morris
TX1280	TBD	Houston	832-316-3732	Tien and Nancy Nguyen –
TX1369	TBD	Houston	832-385-0696	Donald and Stephanie Murphy
TX1385	TBD	Houston	281-787-7353	Derrick and Kim Dalcour and Ryan Pham
TX1296	TBD	Hurst	682-304-4544	Ryan and Heather DeLapp
TX1330	TBD	Hutto	512-994-5458	Scott and Gerri Ann Morris
TX1333	TBD	Las Colinas	682-304-4544	Ryan and Heather DeLapp
TX1389	TBD	Las Colinas	808-799-0714	Kavinibahen Patel and Avanishkumar Amin
TX1392	TBD	Liberty Hill	210-286-2155	Debra and Ray Rodriguez
TX1388	TBD	Longview	903-262-4011	Jerry and Suzanne Dengler
TX1380	TBD	Melissa	956-289-3546	Malessa Gonzalez-Johnson and Gerard Johnson
TX1364	TBD	Midlothian	214-883-2550	Jessica Cervantes
TX1378	TBD	Mont Belvieu	979-417-6793	Edward and Jennifer Jones
TX1387	TBD	Northlake	972-740-1992	John and Laura Lemley
TX1382	TBD	Plano	214-417-3034	Jonathan and Sarah Cromwell
TX1372	TBD	Porter	832-414-1369	Andrea Jones
TX1313	TBD	Portland	832-316-3732	Tien and Nancy Nguyen –
TX1363	TBD	Prosper	214-686-0538	Spencer and Kathy O'Brien
TX1366	TBD	Rosenberg	832-640-9977	Mehran Ali
TX1375	TBD	San Angelo	214-405-4231	Dodd and Kathy Roberts
TX1371	TBD	San Antonio	501-366-0872	Tyler and Karen Mason
TX1304	TBD	San Marcos	830-305-7467	Mark and Tricia Sims
TX1390	TBD	Seminole	432-352-3137	Michael Franco
TX1241	TBD	Southlake	682-304-4544	Ryan and Heather DeLapp
TX1350	TBD	Spring	402-202-3319	Rick Loebig
TX1383	TBD	Stephenville	817-991-4761	Shawn Allen
TX1320	TBD	The Woodlands	281-203-2525	Al Michka and Craig Twardowski
TX1321	TBD	Tomball	281-203-2525	Al Michka and Craig Twardowski
TX1370	TBD	White Settlement	817-999-3540	Phillip and Jonathan Ferrant
UTAH (6)				
UT1204	TBD	American Fork	806-773-4740	Kyle and Xana Bradley
UT1205	TBD	Murray	806-773-4740	Kyle and Xana Bradley
UT1209	TBD	Ogden	214-842-7017	William Howell
UT1203	TBD	Salt Lake City	806-773-4740	Kyle and Xana Bradley
UT1207	TBD	Salt Lake City	214-842-7017	William Howell
UT1201	TBD	South Jordan	806-773-4740	Kyle and Xana Bradley

FRANCHISOR PLANNED OUTLETS NOT YET OPENED (as of December 31, 2024)

NONE

Store #	Address	City, State, Zip	Phone	Owner

EXHIBIT G

FORMER FRANCHISEES

Franchisees whose agreements were terminated, cancelled or not renewed, or who ceased doing business during the period from **January 1, 2024** through **December 31, 2024:**

Franchisee Name, Last Known Business Location and Telephone Number	Outlet/Development Location City and State	Date of Action/ Transfer	Notes (Store Closure, Ceased Operations Other Reasons)
ARIZONA			
NO CHANGES			
FLORIDA			
FL1211 - Chris and Elizabeth Reberk, Inlet Beach	Inlet Beach, FL	12/01/2024	Ceased Operations Other Reasons
TEXAS			
TX1279 - Jocelyn Richardson – Fulshear, TX	Fulshear, TX	09/01/2024	Ceased Operations Other Reasons
TX1237 – Joe and Laurie Roman – College Station, TX	College Station, TX	09/01/2024	Ceased Operations Other Reasons
TX1326 – Harif Atobojeun – Clute, TX	Clute, TX	09/01/2024	Ceased Operations Other Reasons
UTAH			
NO CHANGES			

FORMER FRANCHISEES OTHERWISE LEFT THE SYSTEM

Franchisees who transferred their franchise during the period from **January 1, 2024** through **December 31, 2024:**

Franchisee Name, Last Known Telephone Number	Outlet/Development Location City and State	Transferred To
Rialisara, LLC - Luis and Elisa Paredes (480) 219-5899	Chandler, AZ	Frosted Sno Ocotillo, LLC – Scott and Tyler Molesworth
SnoCastle 2 LLC-Lance and Karen Packer (480) 786-9420	Gilbert, AZ	SnoFam, LLC-Tyler Girtman
SnoCastle 2 LLC-Lance and Karen Packer (480) 988-3390	Gilbert, AZ	SnoFam, LLC-Tyler Girtman
SnoCastle, LLC Lance and Karen Packer (480) 654-0079	Mesa, AZ	Frossted SnoPower, LLC – Scott and Tyler Molesworth
SnoCastle, LLC Lance and Karen Packer (480) 354-1509	Mesa, AZ	Frossted SnoSignal Butte, LLC-Scott and Tyler Molesworth
Rialisara, LLC - Luis and Elisa Paredes (480) 981-8669	Mesa, AZ	Frosted SnoOcotillo, LLC – Scott and Tyler Molesworth
SnoCastle 2 LLC Lance and Karen Packer	Tempe, AZ	SnoFam, LLC-Tyler Girtman

Franchisee Name, Last Known Telephone Number	Outlet/Development Location City and State	Transferred To
(480) 777-9482		
SO Cal Sno LLC-Christy Walton and Kyle Walton (909) 793-2838	Redlands, CA	Burroughs Paradise, Inc.-Jennifer Burroughs
Wilco Enterprises, LLC (281) 861-5949	Houston, TX	SNO OVER IT, LLC – Adrian Escobar
Beverly Holdings LLC-Brett and Laila Beverly (281) 372-6549	Pearland, TX	Sweet No Pearland, LLC-Kevin Coffman
A10 Construction, LLC-Adam Sokol (832) 536-1716	Richmond, TX	Shaved Ice Franchises,LLC – Muhammad Salman
J & A Marsh LLC-John and Colleen Marsh (210) 402-1551	San Antonio, TX	Ohana Sno LLC-Marc Ruiz
A10 Construction LLC-Adam Sokoll (281) 207-6360	Sugar Land, TX	DR K Shave Ice, LLC – Derrick Dalcour

FORMER FRANCHISEES

Franchisees whose agreements were terminated, cancelled or not renewed, or who ceased doing business during the period from January 1, 2025 through May 7, 2025.

Franchisee Name, Last Known Business Location and Telephone Number	Outlet/Development Location City and State	Date of Action/ Transfer	Notes
ALABAMA			
ARIZONA			
UT1206 – William Howell – Salt Lake City	Salt Lake City, Utah	01/01/2025	Store Closed
CALIFORNIA			
COLORADO			
FLORIDA			
LOUISIANA			
MISSOURI			
NEW MEXICO			
NEVADA			

OKLAHOMA			
PUERTO RICO			
TENNESSEE			
TN12030 – 1101 Meadowhill Lane Suite H	Clarksville, TN	10/31/2025	Store Closed
TEXAS			
UTAH			
UT1206 – William Howell – Salt Lake City	Salt Lake City, Utah	01/01/2025	Store Closed

EXHIBIT H

BAHAMA BUCK'S FRANCHISE CORPORATION

AUDITED FINANCIAL STATEMENTS

For the Fiscal Years Ended

December 31, 2024 and December 31, 2023

-and-

December 31, 2023, December 31, 2022 and December 31, 2021

-and-

Unaudited Financial Statements for the

12-Months ending December 31, 2025

BAHAMA BUCK'S FRANCHISE CORPORATION

Unaudited Interim Financial Statements

For the 12-month period ending

December 31, 2025

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR THE FORM.

Bahama Buck's Franchise Corp
Balance Sheet
As of December 31, 2025

	Dec 31, 25
ASSETS	
Current Assets	
Checking/Savings	
Cash in Bank - Gift Checks	605.00
Cash in Bank - Royalties	5,778.48
Cash in Bank BBFC - LNB - IMMA	811,041.45
100 · Cash in Bank - LNB Op AC	100,035.44
110 · Cash in Bank - Ad Fund	22,661.92
Total Checking/Savings	940,122.29
Accounts Receivable	49,277.19
Other Current Assets	72,323.13
Total Current Assets	1,061,722.61
Fixed Assets	
2011 Audit AccumDep1220	-2,489,190.00
Computers	244,816.26
Dodge Ram 2	100,328.00
Furnishings	260.19
Furniture	-0.25
Machinery/Equipment	0.38
New Building	7,132,996.47
Signs	-0.42
Web Site Development	0.34
Total Fixed Assets	4,989,210.97
Other Assets	-4,056,471.72
TOTAL ASSETS	**1,994,461.86**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	2,953,569.14
Long Term Liabilities	3,460,256.67
Total Liabilities	6,413,825.81
Equity	-4,419,363.95
TOTAL LIABILITIES & EQUITY	**1,994,461.86**

Bahama Buck's Franchise Corp
Profit & Loss
January through December 2025

	Jan - Dec 25
Ordinary Income/Expense	
Income	4,949,264.89
Cost of Goods Sold	
50000 · Cost of Goods	77.55
Total COGS	77.55
Gross Profit	4,949,187.34
Expense	
Ad Fund	1,231,148.24
Advertisng	35,854.58
Auto/Trailer Repair and Mainten	-131.25
Bank Expense	607.58
Comms	381.85
Computer	65,102.80
Consulting Fees	50.00
Contract Labor	21,336.26
Credit Card Fees	8,721.84
Donation	8,850.00
Dues/Subscriptions	172,982.00
Education/Seminars	717.70
Employee Expense	12,720.80
Entertainment	1,858.71
Evaluations	122.35
Fees	145.23
Franchise Development	56,051.25
Franchise Taxes	37,178.78
Fuel	8,308.00
Furniture/Decor	6,929.00
Gifts	10,176.93
Hospitality	28,489.43
Human Resources	2,238.00
Insurance	337,713.31
Interest Expense	199,466.54
Legal/Accounting	91,448.10
Licenses & Permits	322.50
Marketing Budget - Lubbock	2,018.27
Meals	13,921.10
Meetings	95,341.91
Miscellaneous	10,502.91
Office Equipment	4,584.53
Operations Research - Shops	55,541.02
Permits	50.00
Printing	4,925.50
Project Development	694.56
Promotion	3,995.00

Bahama Buck's Franchise Corp
Profit & Loss
January through December 2025

	Jan - Dec 25
Property Tax EXPENSE	-85,581.00
Repair/Maintenance	86,566.69
Research & Development	1,163.32
Research/Development	4,025.66
Security	1,059.10
Shipping/Freight	3,697.99
Supplies	67,468.46
Telephone	44,979.36
Trash Removal	5,523.93
Travel	147,925.50
Utilities	74,579.37
500 · Payroll Expenses	2,455,930.06
66900 · Reconciliation Discrepancies	1.03
69800 · Uncategorized Expenses	981.69
Total Expense	5,338,686.49
Net Ordinary Income	-389,499.15
Net Income	**-389,499.15**

AUDITED FINANCIAL STATEMENTS

For the Fiscal Years Ended

December 31, 2024 and December 31, 2023

RBMS LLP

Independent Auditor's Report

To the Board of Directors and Stockholders
Bahama Buck's Franchise Corporation
Lubbock, Texas

Opinion

We have audited the accompanying financial statements of Bahama Buck's Franchise Corporation (the Company), which comprise the balance sheet as of December 31, 2024, and the related statements of income, changes in stockholders' equity, and cash flows for the year 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 the Company as of December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Prior Period Financial Statements

The financial statements of the Company as of December 31, 2023 were audited by other auditors whose report dated August 26, 2024 expressed an unmodified opinion on those statements.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

RBMS, LLP

Lubbock, Texas
July 16, 2025

Bahama Buck's Franchise Corporation
Balance Sheets
December 31, 2024 and 2023

	2024	2023
Cash and cash equivalents	$ 838,558	$ 1,554,795
Trade accounts receivable, net	196,952	214,706
Current portion of note receivable	11,871	13,440
Prepaid expenses	131,997	74,736
Current Assets	1,179,378	1,857,677
Property and equipment, net	5,176,675	5,374,079
Note receivable, net of current portion	219,155	219,506
Due from affiliate	-	275,017
Right-of-use assets under operating leases	725,439	779,025
Other noncurrent assets	9,428	9,428
Total Assets	$ 7,310,075	$ 8,514,732
Accounts payable	$ 149,840	$ 148,144
Accrued liabilities	213,178	101,468
Due to affiliate	156,497	-
Deferred rent income	30,000	-
Current portion of operating lease liabilities	60,393	56,947
Current maturities of long-term debt	239,502	1,988,239
Current portion of contract liabilities	427,351	447,824
Current Liabilities	1,276,761	2,742,622
Operating lease liabilities, net of current portion	679,882	733,482
Long-term debt, net of current maturities	2,725,654	1,214,116
Contract liabilities, net of current portion	2,148,451	2,279,766
Total Liabilities	6,830,748	6,969,986
Common stock - no par, 100,000 shares authorized, issued, and outstanding	104,000	104,000
Retained earnings	375,327	1,440,746
Total Stockholders' Equity	479,327	1,544,746
Total Liabilities and Stockholders' Equity	$ 7,310,075	$ 8,514,732

See accompanying Notes to Financial Statements.

Bahama Buck's Franchise Corporation
Statements of Income
For the Years Ended December 31, 2024 and 2023

	2024	2023
Royalties and advertising fees	$ 4,294,855	$ 4,666,726
Retail sales at company-owned stores	1,629,409	1,732,311
Franchise fees	538,538	576,734
Lease income	360,000	360,000
Other franchise revenue	76,378	228,262
Total Revenue	6,899,180	7,564,033
Personnel	3,642,154	3,567,575
Facilities and equipment	882,854	928,457
Marketing and support	1,269,618	1,139,737
Product and serving supplies for company-owned stores	475,958	492,653
General and administrative expenses	435,700	451,303
Franchise recruitment	188,435	201,714
Credit card and bank fees	62,590	58,929
Software and other technology	84,154	110,121
Professional fees	145,551	239,359
Insurance	193,978	130,614
Total Operating Expenses	7,380,992	7,320,462
Operating (Loss) Income	(481,812)	243,571
Interest expense - notes	(158,344)	(157,380)
Interest expense - leases	(35,144)	(38,491)
Loss on asset disposals	-	(473,033)
Texas franchise tax expense	(30,380)	(51,874)
Other nonoperating income	140,261	1,993,766
Nonoperating (Loss) Income, Net	(83,607)	1,272,988
Net (Loss) Income	$ (565,419)	$ 1,516,559

See accompanying Notes to Financial Statements.

Bahama Buck's Franchise Corporation
Statements of Changes in Stockholders' Equity
For the Years Ended December 31, 2024 and 2023

	Common Stock		Retained	
	Shares	$	Earnings	Total
January 1, 2023	100,000	$ 104,000	$ 524,187	$ 628,187
Net income	-	-	1,516,559	1,516,559
Dividends paid	-	-	(600,000)	(600,000)
December 31, 2023	100,000	$ 104,000	$ 1,440,746	$ 1,544,746
Net loss	-	-	(565,419)	(565,419)
Dividends paid	-	-	(500,000)	(500,000)
December 31, 2024	100,000	$ 104,000	$ 375,327	$ 479,327

See accompanying Notes to Financial Statements.

Bahama Buck's Franchise Corporation
Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

	2024	2023
Net (loss) income	$ (565,419)	$ 1,516,559
Adjustments to reconcile net (loss) income to cash from operating activities:		
Depreciation	307,529	343,144
Amortization of debt issuance costs	2,834	2,834
Loss on asset disposals	-	473,033
Net change in:		
Trade accounts receivable, net	17,754	(35,469)
Due from affiliate	275,017	431,107
Prepaid expenses	(57,261)	(15,050)
Right-of-use assets under operating leases	53,586	57,719
Accounts payable	1,696	18,786
Accrued liabilities	111,710	29,367
Due to affiliates	156,497	-
Deferred rent income	30,000	-
Operating lease liabilities	(50,154)	(46,315)
Contract liabilities	(151,788)	123,266
Cash From Operating Activities	132,001	2,898,981
Payments received on note receivable	3,792	9,224
Advances on note receivable	(1,872)	-
Purchases of property and equipment	(110,125)	(1,389,268)
Cash Used In Investing Activities	(108,205)	(1,380,044)
Principal payments on long-term debt	(240,033)	(346,071)
Dividends paid	(500,000)	(600,000)
Cash Used In Financing Activities	(740,033)	(946,071)
Net (Decrease) Increase in Cash and Cash Equivalents	(716,237)	572,866
Cash and cash equivalents:		
Beginning of year	1,554,795	981,929
End of year	$ 838,558	$ 1,554,795
Presented on the Balance Sheet as:		
Cash and cash equivalents	$ 838,558	$ 1,554,795
Supplemental Disclosures:		
Interest paid on notes	$ 155,510	$ 154,546
Franchise taxes paid	40,667	38,874

See accompanying Notes to Financial Statements.

Note 1: Nature of Organization

Bahama Buck's Franchise Corporation (Bahama Buck's or the Company) is an Arizona corporation incorporated in June 1992, with corporate headquarters located in Lubbock, Texas. The Company does business under its corporate name and the trade names "Bahama Buck's Original Shaved Ice Company" and "Bahama Buck's". These financial statements include franchise operations and three Company owned and operated stores, all of which are located in Lubbock. Franchise operations include sales of franchise stores and franchisee support, in accordance with the franchise agreement. A separate ten-year agreement is signed for each store.

Trade Winds Distribution, LLC (TWD), a Texas limited liability company formed in July 2008, is a commonly controlled company that distributes to franchisees and Company owned stores equipment, product and service supplies, supplements, and logo products, supplies and apparel. The assets, liabilities, equity, revenues and expenses of TWD are not included in these financial statements.

Note 2: Summary of Significant Accounting Policies

Basis of Accounting. The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Use of Estimates. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses, along with the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Variable Interest Entities. The Company has elected the private company accounting alternative available to applying the variable interest entity (VIE) guidance for assessing whether they should consolidate entities under common control. Under the alternative guidance, the Company does not evaluate if it should consolidate related parties under VIE guidance that meet certain criteria. The key criteria include that the entities under consideration are not public business entities and that they are under common control.

Cash and Cash Equivalents. Cash and cash equivalents includes all cash accounts, none of which are subject to withdrawal restrictions or penalties, and all highly liquid debt instruments with original maturities of 90 days or less. Bahama Buck's maintains deposits in financial institutions that at times exceed amounts insured by the U.S. Federal Deposit Insurance Corporation (FDIC). Management believes there is no significant risk with respect to such deposits.

Advertising Fund Restricted Cash. The Company maintains an Advertising Fund in accordance with the franchise agreement that is funded by franchisee advertising fees collected. Any cash balance is reported as restricted cash in the accompanying balance sheets. Gross advertising fee revenue and related expenses are recognized in the accompanying statements of income and advertising fund fees collected from the Company owned stores have been eliminated for reporting purposes. There was no balance in the restricted cash account at December 31, 2024 and 2023.

Accounts Receivable. Accounts receivable represent amounts owed to the Company which are expected to be collected within twelve months and are presented in the balance sheets net of the allowance for credit losses.

Note 2: Summary of Significant Accounting Policies (continued)

Allowance for Credit Losses. Management evaluates its receivables on an ongoing basis by analyzing customer relationships and previous payment histories. The allowance for credit losses is management's best estimate of the amount of probable credit losses in the existing accounts based on current market conditions. Historically, losses on uncollectible accounts have been within management's expectations. The allowance for credit losses is reviewed on a periodic basis to ensure there is sufficient reserve to cover any potential credit losses. When receivables are considered uncollectible, they are charged against the allowance for credit losses. Collections on accounts previously written off are included in income as received. Management determined that an allowance for credit losses was not necessary at December 31, 2024. The allowance for credit losses totaled $13,822 at December 31, 2023.

Property and Equipment. Property and equipment are carried at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Upon disposal, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized. The costs of repairs and maintenance are recognized when incurred; significant renewals and betterments are capitalized.

Leases. The Company accounts for leases in accordance with FASB ASC 842, *Leases*, which requires lessees to recognize on the balance sheet right-of-use (ROU) lease assets and lease liabilities for operating leases with lease terms that are more than 12 months, along with disclosing key information about leasing arrangements.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. ROU assets are recognized at an amount equal to the respective lease liability and amortized on a straight-line basis over the corresponding lease term, with the amortization recorded as rent expense. Lease liabilities are recognized at the present value of the remaining contractual fixed lease payments, discounted using a risk-free borrowing rate. Any variable lease payments and all short-term rentals of 12 months of less are expensed as incurred.

Debt Issuance Costs. Bahama Buck's capitalized $56,679 in debt issuance costs in connection with a note payable that matures in July 2035. This amount is amortized as interest expense on a straight-line basis, over the term of the respective loan. The effect of using the straight-line method is substantially similar to the results that would be obtained from using the effective interest rate method. Debt issuance costs are presented as a direct reduction of the carrying value of the underlying debt. For the years ended December 31, 2024 and 2023, amortization of debt issuance costs totaled $2,834 per annum.

Compensated Absences. Full-time salaried employees accrue paid time off based on a graduated schedule of years of employment determined by each employee's annversary hire date. Paid time off hours are accrued and granted each pay period with a maximum of twenty-two days granted annually after eleven years of employment. Paid time off may be paid at year end based on a graduated schedule of employment with a maximum of 112 hours paid out after six years of employment. Employees may also elect to carryover paid time off up to a maximum of 112 hours, and accordingly, the cost of unused paid time off granted is accrued as a liability. Any days in excess of the 112 hour cash out or carryover maximum are placed in a sick leave bank, which is available for use in the event of an extended illness after all paid time off has been exhausted. Sick leave hours earned are not paid at retirement, resignation, or termination, and are not accrued as a liability.

Revenue Recognition. The Company recognizes revenue in accordance with FASB ASC 606, *Revenue from Contracts with Customers*, which requires entities to recognize revenue when control of the promised goods or services is transferred to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services.

Note 2: Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued). The franchise arrangement between the Company as the franchisor and the franchisee as the customer requires the Company to perform various activities to support the brand that do not directly transfer goods and services to the franchisee, but instead represent a single performance obligation, which is the transfer of the franchise license. The intellectual property subject to the franchise license is symbolic intellectual property as it does not have significant standalone functionality, and substantially all the utility is derived from its association with the Company's past or ongoing activities. The nature of the Company's promise in granting the franchise license is to provide the franchisee with access to the brand's symbolic intellectual property over the term of the license. The services provided by the Company are highly interrelated with the franchise license and as such are considered to represent a single performance obligation.

The transaction price in a standard franchise arrangement primarily consists of (a) initial franchise fees; (b) continuing franchise fees (royalties); and (c) advertising fees. Since the Company considers the licensing of the franchising right to be a single performance obligation, no allocation of the transaction price is required.

The Company recognizes the primary components of the transaction price as follows:

- Franchise fees are recognized as revenue ratably on a straight-line basis over the term of the franchise agreement. As these fees are typically received in cash at or near the beginning of the franchise term, the cash received is initially recorded as a contract liability until recognized as revenue over time.

- The Company is entitled to royalties and advertising fees based on a percentage of the franchisee's gross sales as defined in the franchise agreement. Advertising fees are restricted for use by the franchise agreement to activities that maximize the general public recognition of the brand. Royalty and advertising revenue is recognized when the franchisee's reported sales occur.

Revenue from retail sales at Company owned stores is recognized at a point in time, as the delivery of products occurs. Other franchise revenue is recognized over a period of time when persuasive evidence of an arrangement existed, delivery of products had occurred, the sales price was fixed or determinable, and collectability was reasonably assured.

In determining the amount and timing of revenue from contracts with customers, the Company exercises significant judgment with respect to collectability of the amount; however, the timing of recognition does not require significant judgment as it is based on either the franchise term, the month of reported sales by the franchisee, or the termination of the agreement, none of which require estimation.

Employee Retention Credits. In April 2023, the Company filed for Employee Retention Credits (ERC) of $484,955. In accordance with ASC 450-30, the Company accounts for the ERC as revenue once it is realized or realizable. During the year ended December 31, 2023, the Company recognized $484,955 in other income related to ERC claims as well as $25,794 in interest income related to the claim.

Company Owned Store Product and Serving Supplies. Product and serving supplies costs are recognized as expense when purchased. Company owned and franchised stores purchase product and serving supplies from TWD and other unrelated vendors.

Interest. Interest costs are charged to expense as incurred.

Advertising Costs. Advertising costs are expensed as incurred and included in marketing and support in the accompanying financial statements. For the years ended December 31, 2024 and 2023, advertising expense totaled $76,265 and $98,966, respectively.

Note 2: Summary of Significant Accounting Policies (continued)

Reclassifications. Certain amounts from the 2023 financial statements have been reclassified to conform to the 2024 presentation. These reclassifications had no effect on net income.

Recent Accounting Pronouncements. In June 2016, the FASB issued ASU 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which is often referred to as the CECL model, or current expected credit losses. Among other things, the amendments in this ASU require the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Financial institutions and other organizations will now use forward-looking information to better inform their credit loss estimates. Many of the loss estimation techniques applied today will still be permitted, although the inputs to those techniquies will change to reflect the full amount of expected credit losses. In addition, the ASU amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration.

The Company adopted ASU 2016-13 on January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only.

Income Taxes. The Company and its stockholders have elected to be taxed as an S-Corporation. The effect of this election is that the Company's taxable income, as well as income tax credits and tax preference items, are recognized on the personal income tax returns of the Company's stockholders. Accordingly, federal income taxes are not reflected in the accompanying financial statements.

Texas franchise taxes are income taxes under GAAP and are recognized as income tax expense in the statements of income as the Company is liable for these taxes.

GAAP requires that management evaluate tax positions taken by the Company and recognize a tax liability (or asset) if Bahama Buck's has taken an uncertain tax position that more likely than not would not be sustained upon examination by the applicable authorities. There are currently no audits for any tax periods in progress. Generally, the Company's tax returns are subject to examination for three years after they are filed.

Note 3: Franchising Activies

The Company grants franchisees the right to operate individual stores under the Bahama Buck's name with access to trademarks, brands, proprietary software, and business systems under individual store agreements.

The Company receives initial franchise fees from franchisees upon signing of the initial ten-year agreement, which are nonrefundable, and after stores open, the Company receives royalties and advertising fees monthly. Prior to May 31, 2021, the initial franchise fee was $29,500, royalty and advertising fee rates were 6% and 2% of gross sales, respectively, and ten-year renewal fees were $7,500. Effective June 1, 2021, the initial franchise fee increased to $34,500. For multi-store arrangements, one half of the initial franchise fee for each additional store is collected when the multi-store amendment is signed, and the remaining amounts are collected as the agreements for the additional stores are signed.

Total initial costs of a franchisee that are to be paid to the Company are estimated to range from $185,000 to $284,000. Franchisees are required to purchase all ice products (flavored and sugar free concentrates, pre-made frozen dessert confections, and coffee products) and logo apparel solely from TWD. At the franchisee's option, supplements for the ice products, equipment, tools, gift checks, and other logo products and supplies may also be purchased from TWD.

Note 3: Franchising Activities (continued)

Franchisee store activity is as follows for the years ending December 31:

	2024	2023
Beginning number of franchisee stores	112	109
Opened	4	6
Ceased operations	(3)	(3)
Net change	1	3
Ending number of franchisee stores	113	112

The above numbers do not include the three Company owned stores located in Lubbock.

Note 4: Concentrations of Credit Risk

Concentrations of credit risk with respect to accounts receivable are limited because the Company's customer base is comprised of a large number of customers that are dispersed across different geographic regions. In addition, the Company routinely assesses the financial strength of its customers and, as a consequence, believes that its accounts receivable credit risk exposure is limited.

Note 5: Note Receivable

On July 1, 2021, the Company sold a company owned store located in Waco, Texas, to a franchisee for $320,500. The Company transferred ownership of the furniture and fixtures in the store to the purchaser upon receipt of a cash payment of $45,500 and a signed note receivable for $275,000. The note requires 120 monthly payments of $3,053 beginning August 1, 2021, including interest at a fixed rate of 6.00%.

Effective July 1, 2023, the remaining $232,946 balance of the note was transferred to a new franchisee who took over operations of the Waco store. The monthly payment and interest rate remain unchanged from the original note, but payments were frozen until June 1, 2024, without accruing additional interest.

The Company remains a guarantor on the original lease agreement for the Waco location, which has a monthly lease payment of approximately $2,800 until the agreement expires in March 2025. If the franchisee is unable to make lease payments through the operation of the store or other means, the Bahama Buck's would be responsible for the payments through the end of the agreement. The Company has not been required to make any of the lease payments since the date of the sale, and management does not expect that any such payments will be required, thus no liability was recorded at December 31, 2024 or 2023 related to the lease guarantee.

Future maturities of the note receivable are as follows for the years ending December 31:

2025	$ 11,871
2026	24,144
2027	25,633
2028	27,214
2029	28,893
Thereafter	113,271
	$ 231,026

Note 6: Property and Equipment

Property and equipment consisted of the following at December 31, 2024 and 2023:

	Depreciable Life	2024	2023
Land	N/A	$ 998,748	$ 998,748
Building and improvements	15-40 yrs	6,078,635	5,995,918
Leasehold improvements	10-15 yrs	258,225	258,225
Machinery and equipment	5-10 yrs	760,140	737,116
Vehicles	5 yrs	7,748	7,748
Signage	7 yrs	36,087	31,703
Furniture and fixtures	7 yrs	141,027	141,027
Computers and software	3-7 yrs	274,964	274,964
Cost		8,555,574	8,445,449
Less: accumulated depreciation		(3,378,899)	(3,071,370)
Net		$ 5,176,675	$ 5,374,079

Depreciation expense totaled $307,529 and $343,144 for the years ended December 31, 2024 and 2023, respectively.

Note 7: Long-Term Debt

Long-term debt consisted of the following at December 31:

	2024	2023
Note payable to Lubbock National Bank, due in monthly installments of $21,377, including interest at 7.50%, secured by real property and life insurance policies, maturing in November 2029.	$ 1,750,737	$ 1,892,231
Note payable to SBA, due in monthly installments of $11,405, including interest at 2.93%, secured by property, maturing in July 2035.	1,244,411	1,342,950
Less: unamortized debt issuance costs	(29,992)	(32,826)
Long-term debt, less unamortized debt issuance costs	2,965,156	3,202,355
Less: current maturities	(239,502)	(1,988,239)
	$ 2,725,654	$ 1,214,116

Future maturities of long-term debt, net of unamortized debt issuance costs, are as follows for the years ending December 31:

2025	$ 239,502
2026	242,489
2027	256,509
2028	271,468
2029	1,266,605
Thereafter	688,583
	$ 2,965,156

Note 7: Long-Term Debt (continued)

For the years ended December 31, 2024 and 2023, interest expense on notes payable totaled $158,344 and $157,380, respectively, including amortization of debt issuance costs.

Note 8: Employee Benefit Plan

The Company has established a SIMPLE IRA plan (the Plan) for employees who receive at least $5,000 in annual compensation. Upon meeting the eligibility requirements, employees may elect to have a portion of their salary contributed to the Plan on a pre-tax basis, subject to IRS limitations. The Company matches employee contributions to the Plan up to 3% each. For the years ended December 31, 2024 and 2023, Bahama Buck's contributed $67,907 and $60,452 to the Plan, respectively which is included in personnel expense in the accompanying statements of income.

Note 9: Operating Leases

The Company leases certain retail space from third parties, under the terms of operating lease agreements.

As of December 31, 2024 and 2023, the balance of the ROU assets totaled $725,439 and $779,025, respectively, and operating lease liabilities were comprised of the following:

	2024	2023
Operating lease liabilities	$ 740,275	$ 790,429
Less: current portion	(60,393)	(56,947)
	$ 679,882	$ 733,482

Including leases with related parties, future maturities of the undiscounted lease liabilities are as follows for the years ending December 31:

2025	$ 92,828
2026	93,378
2027	93,986
2028	97,055
2029	65,455
Thereafter	512,559
Undiscounted lease liabilities	$ 955,261

The Company's calculations were based on the non-cancellable remaining lease term for each lease for a weighted-average remaining lease term of 12.30 years and 12.16 years as of December 31, 2024 and 2023, respectively.

For the years ended December 31, 2024 and 2023, amortization of ROU assets resulted in rent expense totaling $61,064 and $57,718, respectively, and an additional $35,144 and $38,491 were recorded as interest expense, respectively, imputed using a weighted-average discount rate of 4.60% per annum.

Note 10: Revenue

Approximately 71% of the Company's revenue earned was over time. Bahama Buck's recognizes revenue from franchise agreements over time for franchise fees, franchise royalties, advertising fees, and other franchise revenue. As of December 31, 2024, there are $2,575,802 of performance obligations to be satisfied, of which $427,351 is expected to be recognized in revenue in 2025 and $2,148,451 is expected to be recognized in future years. These performance obligations are based upon the ten year licensing agreement.

Note 10: Revenue (continued)

Approximately 24% of the Company's revenue is earned at a point in time. Bahama Buck's recognizes revenue at a point in time for product sales and other miscellaneous fees. These performance obligations are based upon delivery of the goods or services. The remaining 5% of the Company's revenue is lease income.

The contract balances are as follows for the years ended December 31:

	2024	2023
Contract liabilities, beginning of year	2,727,590	2,604,324
Contract liabilities, end of year	2,575,802	2,727,590
Receivable from contracts, beginning of year	214,706	179,237
Receivable from contracts, end of year	196,952	214,706

Note 11: Contingencies and Uncertainties

From time to time, Bahama Buck's may be subject to claims and suits arising in the ordinary course of business. In the opinion of management, the ultimate resolution of any such legal proceedings, net of any insurance recoveries, will not have a material effect on the Company's financial statements.

Bahama Buck's is a franchisor with franchised store operations in twelve US states and Puerto Rico, with store openings in process in seven additional states as of December 31, 2024. Economic factors can affect future franchise sales and, as territory is assigned to each franchise store, the Company may reach the point where existing markets become saturated and initial franchising revenue declines. Unless new markets are entered, franchise revenues after market saturation will come primarily from royalties and other fees from existing franchisees.

Note 12: Related Party Transactions

Cash advances are exchanged between Bahama Buck's and TWD as part of their regular operating activities. The cash advances are unsecured and noninterest-bearing and they have no formal repayment terms, thus they are reported as long-term advances labeled "Due from affiliate" or "Due to affiliate" in the accompanying balance sheets. As of December 31, 2024 and 2023, the advances resulted in a Due to affiliate of $156,497 and a Due from affiliate of $275,017, respectively.

TWD leases warehouse space in the Company's corporate headquarters under the terms of a month-to-month operating lease agreement, with rentals at $30,000 per month.

The Company owned stores purchase product and serving supplies from TWD. These purchases were $317,647 and $339,599 for the years ended December 31, 2024 and 2023, respectively. Franchisee stores also purchase products and serving supplies from TWD.

Two Company stockholders and two employees have ownership in stores as franchisees. The two stockholders and one of the employees co-own a franchisee store in Lubbock, Texas. One of the stockholders and the other employee co-own two franchisee stores in Utah, with a multi-store agreement to develop four additional stores in Utah.

Note 13: Subsequent Events Evaluation

Management has evaluated subsequent events through July 16, 2025, the date the financial statements were available to be issued. No material subsequent events have occurred during this time which would require recognition in the financial statements or footnotes as of and for the year ended December 31, 2024.

AUDITED FINANCIAL STATEEMENTS

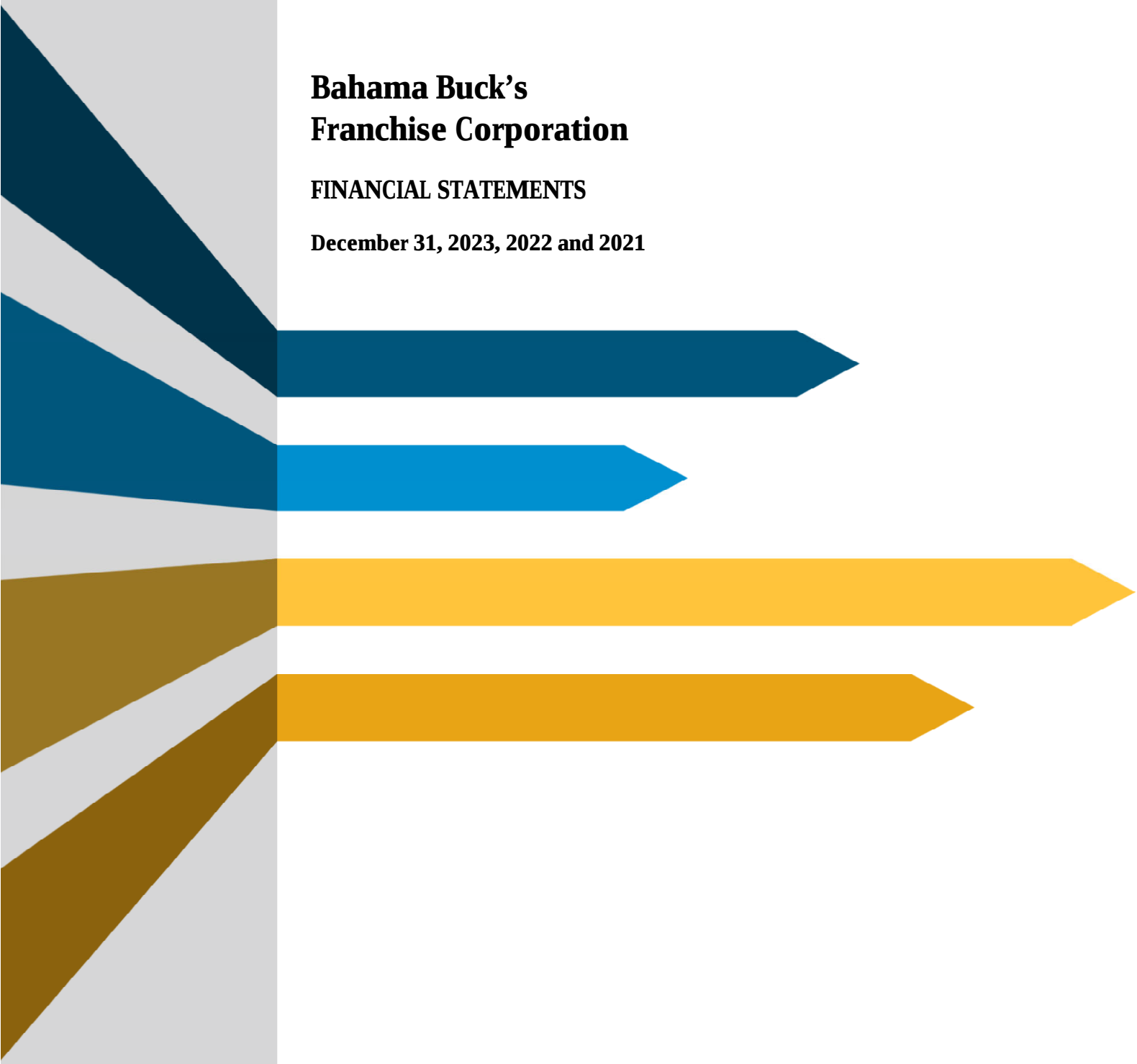
For the Fiscal Years Ended

December 31, 2023, December 31, 2022 and 2021

Bahama Buck's Franchise Corporation

FINANCIAL STATEMENTS

December 31, 2023, 2022 and 2021



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REPORT

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
2403 82nd Street
Lubbock, TX 79423

806.745.6789
806.748.3888 (fax)
CRIcpa.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders of
Bahama Buck's Franchise Corporation

Opinion

We have audited the accompanying financial statements of Bahama Buck's Franchise Corporation, (the Company) which comprise the balance sheets as of December 31, 2023, 2022, and 2021 and the related statements of income, changes in stockholder's 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 the Company as of December 31, 2023, 2022, and 2021, and the results of its operations and 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Correction of Error

As discussed in Note 15 to the financial statements, an error in calculating all options related to a lease term resulted in the understatement of amounts previously reported as operating lease right-of-use assets and operating lease liabilities as of December 31, 2022, was discovered by management during the current year. Accordingly, amounts reported as operating lease right-of-use assets and operating lease liabilities have been restated in the 2022 financial statements now presented. Our opinion is not modified with respect to that matter.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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 the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC
Lubbock, Texas
August 26, 2024

FINANCIAL STATEMENTS

Bahama Buck's Franchise Corporation
Balance Sheets

December 31,	**2023**	2022 (as restated)	2021
Assets			
Current assets			
Cash and cash equivalents	**$ 1,554,795**	$ 973,310	$ 940,284
Advertising fund restricted cash	**-**	8,619	200,778
Accounts receivable - trade, net of allowance of $13,822	**214,706**	179,237	197,666
Note receivable	**13,440**	18,869	21,223
Prepaid expenses	**74,736**	59,686	59,686
Total current assets	**1,857,677**	1,239,721	1,419,637
Property and equipment, net	**5,374,079**	4,800,988	4,946,582
Note receivable	**219,506**	223,301	245,302
Due from affiliate	**275,017**	706,124	589,075
Operating lease right-of-use assets, net	**779,025**	836,744	-
Other assets	**9,428**	9,428	9,428
Total assets	**$ 8,514,732**	$ 7,816,306	$ 7,210,024
Liabilities and Stockholder's Equity			
Current liabilities			
Accounts payable - trade	**$ 148,144**	$ 129,358	$ 128,393
Accrued liabilities	**101,468**	72,101	67,090
Current maturities of operating lease liabilities	**56,947**	53,691	-
Current maturities of long-term debt	**1,988,239**	288,273	272,816
Contract liabilities	**447,824**	510,760	678,363
Total current liabilities	**2,742,622**	1,054,183	1,146,662
Operating lease liabilities, less current maturities	**733,482**	783,053	-
Long-term debt, less current maturities	**1,214,116**	3,257,319	3,553,943
Contract liabilities	**2,279,766**	2,093,564	1,653,974
Total liabilities	**6,969,986**	7,188,119	6,354,579
Stockholder's equity			
Common stock - no par, 100,000 shares authorized, issued, and outstanding	**104,000**	104,000	104,000
Retained earnings	**1,440,746**	524,187	751,445
Total stockholder's equity	**1,544,746**	628,187	855,445
Total liabilities and stockholder's equity	**$ 8,514,732**	$ 7,816,306	$ 7,210,024

The accompanying notes are an integral part of these financial statements.

Bahama Buck's Franchise Corporation
Statements of Income

For the years ended December 31,	**2023**	2022	2021
Revenue			
Royalties and advertising fees	**$ 4,666,726**	$ 4,530,243	$ 4,186,264
Company owned stores retail sales	**1,732,311**	1,741,137	1,969,020
Franchise fees	**576,734**	476,230	595,188
Lease income	**360,000**	315,000	180,000
Other franchise revenue	**228,262**	52,300	16,042
Total revenue	**7,564,033**	7,114,910	6,946,514
Operating Expenses			
Personnel	**3,567,575**	3,222,695	2,722,353
Facilities and equipment	**966,948**	988,041	958,181
Marketing and support	**1,139,737**	907,580	845,061
Company owned store product and serving supplies	**492,653**	500,110	535,893
General and administrative expenses	**454,137**	400,730	286,036
Franchise recruitment	**201,714**	170,681	123,963
Credit card and bank fees	**58,929**	54,218	56,419
Software and other technology	**110,121**	82,392	55,441
Professional costs	**239,359**	134,370	86,234
Insurance	**130,614**	102,489	90,360
(Gain) loss on disposal of property, plant and equipment	**473,033**	-	(170,930)
Total operating expenses	**7,834,820**	6,563,306	5,589,011
Operating (loss) income	**(270,787)**	551,604	1,357,503
Other Income (Expense)			
Interest expense	**(154,546)**	(183,965)	(207,404)
Other income	**1,993,766**	136,769	27,556
Income before income tax expense	**1,568,433**	504,408	1,177,655
Income tax expense	**51,874**	31,666	30,688
Net Income	**$ 1,516,559**	$ 472,742	$ 1,146,967

The accompanying notes are an integral part of these financial statements.

Bahama Buck's Franchise Corporation
Statements of Changes in Stockholder's Equity

For the years ended December 31, 2023, 2022 and 2021

	Common Stock	Retained Earnings	Stockholder's Equity
Balance at December 31, 2020	$ 104,000	478,478	$ 582,478
Stockholder distributions	-	(874,000)	(874,000)
Net income	-	1,146,967	1,146,967
Balance at December 31, 2021	104,000	751,445	855,445
Stockholder distributions	-	(700,000)	(700,000)
Net income	-	472,742	472,742
Balance at December 31, 2022	104,000	524,187	628,187
Stockholder distributions	-	(600,000)	(600,000)
Net income	-	1,516,559	1,516,559
Balance at December 31, 2023	**$ 104,000**	**$ 1,440,746**	**$ 1,544,746**

The accompanying notes are an integral part of these financial statements.

Bahama Buck's Franchise Corporation
Statements of Cash Flows

For the years ended December 31,	**2023**	2022 (as restated)	2021
Operating Activities			
Net income	**$ 1,516,559**	$ 472,742	$ 1,146,967
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation expense	**343,144**	301,983	353,401
Amortization of deferred loan fees	**2,834**	2,834	2,834
(Gain) loss on disposal of property and equipment	**473,033**	-	(170,930)
Amortization of operating lease right-of-use assets	**57,719**	47,724	-
Changes in operating assets and liabilities:			
Accounts receivable	**(35,469)**	18,429	(30,918)
Due from affiliate	**431,107**	(117,049)	34,725
Prepaid expenses	**(15,050)**	-	(6,168)
Accounts payable	**18,786**	965	51,435
Accrued expenses	**29,367**	5,011	(16,999)
Operating lease liability	**(46,315)**	(47,724)	-
Contract liability	**123,266**	271,987	69,937
Net cash provided by (used in) operating activities	**2,898,981**	956,902	1,434,284
Investing Activities			
Proceeds from note receivable	**9,224**	24,355	8,475
Purchases of property, plant and equipment	**(1,389,268)**	(156,389)	(305,073)
Proceeds from the sale of property, plant and equipment	**-**	-	45,500
Net cash provided by (used in) investing activities	**(1,380,044)**	(132,034)	(251,098)
Financing Activities			
Principal payments on long-term debt	**(346,071)**	(284,001)	(379,122)
Stockholder distributions	**(600,000)**	(700,000)	(874,000)
Net cash provided by (used in) financing activities	**(946,071)**	(984,001)	(1,253,122)
Net change in cash and cash equivalents	**572,866**	(159,133)	(69,936)
Cash, cash equivalents and restricted cash at beginning of year	**981,929**	1,141,062	1,210,998
Cash, cash equivalents and restricted cash at end of year	**$ 1,554,795**	$ 981,929	$ 1,141,062

(Continued)

Bahama Buck's Franchise Corporation
Statements of Cash Flows (Continued)

For the years ended December 31,	**2023**	2022	2021
Presented on Balance Sheet as:			
Cash and cash equivalents	**$ 1,554,795**	$ 973,310	$ 940,284
Advertising fund restricted cash	**-**	8,619	200,778
Cash, cash equivalents and restricted cash	**$ 1,554,795**	$ 981,929	$ 1,141,062
Schedule Noncash Transactions			
Lease liabilities arising from obtaining right-of-use-assets on operating leases	**$ -**	$ 884,468	**$ -**
Note receivable received	**$ -**	**$ -**	$ 266,525
Schedule of Certain Cash Flow Information			
Interest paid	**$ 154,546**	$ 181,131	$ 204,570
Income taxes paid	**$ 38,874**	$ 31,666	$ 30,688

The accompanying notes are an integral part of these financial statements.

Note 1: DESCRIPTION OF THE BUSINESS

Bahama Buck's Franchise Corporation (the Company) is an Arizona corporation incorporated in June 1992 that maintains its corporate headquarters in Lubbock, Texas. The Company does business under its corporate name and the trade names “Bahama Buck’s Original Shaved Ice Company” and “Bahama Buck’s”. These Company financial statements include franchise operations and Company owned and operated stores. Three Company stores operate in Lubbock, Texas, and one operated in Waco, Texas, until June 30, 2021, when it was sold to a franchisee. Franchise operations include sales of franchise stores and franchisee support in accordance with the franchise agreement. A separate ten-year agreement is signed for each store.

Trade Winds Distribution, LLC, (TWD) a Texas limited liability company formed July 2008, is a commonly controlled company that distributes equipment, product and service supplies, supplements, equipment, logo apparel and other logo products and supplies to franchisees and Company owned stores. The assets, liabilities, equity, revenue and expenses of TWD are not included in these financial statements.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to the allowance for credit losses, impairment of property and equipment and estimated useful lives of property and equipment.

Variable Interest Entities

The Company has elected the private company accounting alternative available to applying the variable interest entity (VIE) guidance for assessing whether they should consolidate entities under common control. Under the alternative guidance, the Company does not evaluate if it should consolidate related parties under VIE guidance that meet certain criteria. The key criteria include that the entities under consideration are not public business entities and that they are under common control.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash and cash equivalents include cash and all highly-liquid investments with an original maturity of 90 days or less.

Advertising Fund Restricted Cash

The Company maintains an Advertising Fund in accordance with the franchise agreement that is funded by franchisee advertising fees collected. The cash balance is reported as restricted cash in the accompanying balance sheets. Gross advertising fee revenue and related expenses are recognized in the accompanying statements of income and advertising fund fees collected from the Company owned stores have been eliminated for reporting purposes.

Accounts Receivable

Accounts receivable represent amounts owed to the Company which are expected to be collected within twelve months and are presented in the balance sheets net of the allowance for credit losses.

Allowance for Credit Losses

Management evaluates its receivables on an ongoing basis by analyzing customer relationships and previous payment histories. The allowance for credit losses is management's best estimate of the amount of probable credit losses in the existing accounts based on current market conditions. Historically, losses on uncollectible accounts have been within management's expectations. The allowance for credit losses is reviewed on a periodic basis to ensure there is sufficient reserve to cover any potential credit losses. When receivables are considered uncollectible, they are charged against the allowance for credit losses. Collections on accounts previously written off are included in income as received. The allowance for credit losses was $13,822 at December 31, 2023, 2022, and 2021, respectively.

Property and Equipment

Land is carried at cost and all other property and equipment is stated at cost less accumulated depreciation. Expenditures for additions, major renewals, and betterments are capitalized and repairs and maintenance are charged to operations as incurred. Depreciation expense is recognized over the estimated useful lives of the property and equipment using the straight-line method. Leasehold improvements are amortized over the shorter of the estimated useful life or remaining term of the lease.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases – Lessee Arrangements

The Company leases retail space for two of the company owned stores. Management determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities in the balance sheets.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, management has elected the incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In determining the discount rate used to measure the right-of-use asset and lease liability, the Company uses rates implicit in the lease, or if not readily available, the Company uses the incremental borrowing rate. The incremental borrowing rate is based on an estimated secured rate comprised of a risk-free rate plus a credit spread as secured by the Company's assets. Determining a credit spread as secured by the Company's assets may require significant judgement.

Leases – Lessor Arrangements

The Company rents warehouse space to a related party and recognizes revenue from the lease agreement, which has a month-to-month tenancy, as payments are received.

Impairment of Long-Lived Assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. If the future undiscounted cash flows expected to result from the use of the asset and its eventual disposition are less than the carrying amount of the asset, an impairment loss is recognized. Long-lived assets and certain intangible assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Debt

Debt is carried at the principal amount due to the lender and related interest expense is accrued as incurred. Debt principal due within one year of the balance sheet date is classified as current maturities and presented separately as current liabilities.

Debt Issuance Costs

Expenditures for debt issuance costs related to debt maturing in July 2035, with original cost of $56,679, were capitalized and are being amortized over the life of the respective loan (Note 7).

Debt issuance costs are amortized on the straight-line basis to interest expense over the term of the respective loan. The straight-line method yields results substantially similar to those that would be produced under the effective interest rate method. Debt issuance costs are presented as a direct reduction from the carrying value of the debt liability, consistent with the presentation of debt discounts. Amortization of the debt issuance costs totaled $2,834 for the years ended December 31, 2023, 2022, and 2021.

Compensated Absences

Full time salaried employees accrue paid time off based on a graduated schedule of years of employment determined by each employee's anniversary hire date. Paid time off hours are accrued and granted each pay period with a maximum of twenty-two days granted annually after eleven years of employment. Paid time off may be paid at year end based on a graduated schedule of employment with a maximum of eighty hours paid out after six years of employment. Employees may also elect to carry over paid time off up to a maximum of eighty hours, and accordingly, the cost of unused paid time off granted is accrued as a liability. Any days in excess of the eighty-hour cash out or carryover maximum are placed in a sick leave bank, which is available for use in the event of an extended illness after all paid time off has been exhausted. Sick leave hours earned are not paid at retirement, resignation, or termination and are not accrued as a liability.

Revenue Recognition

Revenue is recognized when performance obligations under the terms of the contracts with customers are satisfied. Under ASC 606, revenue is recognized upon transfer of control of promised services or goods to customers in an amount that reflects the consideration the Company expects to receive for those services or goods. Sales taxes, where applicable, are collected from customers and remitted to the appropriate taxing authority and are not reflected in the Company's statements of income as revenue.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

The franchise arrangement between the Company as the franchisor and the franchisee as the customer requires the Company to perform various activities to support the brand that do not directly transfer goods and services to the franchisee, but instead represent a single performance obligation, which is the transfer of the franchise license. The intellectual property subject to the franchise license is symbolic intellectual property as it does not have significant standalone functionality, and substantially all the utility is derived from its association with the Company's past or ongoing activities. The nature of the Company's promise in granting the franchise license is to provide the franchisee with access to the brand's symbolic intellectual property over the term of the license. The services provided by the Company are highly interrelated with the franchise license and as such are considered to represent a single performance obligation.

The transaction price in a standard franchise arrangement primarily consists of (a) initial franchise fees; (b) continuing franchise fees (royalties); and (c) advertising fees. Since the Company considers the licensing of the franchising right to be a single performance obligation, no allocation of the transaction price is required.

The Company recognizes the primary components of the transaction price as follows:

- Franchise fees are recognized as revenue ratably on a straight-line basis over the term of the franchise agreement. As these fees are typically received in cash at or near the beginning of the franchise term, the cash received is initially recorded as a contract liability until recognized as revenue over time.

- The Company is entitled to royalties and advertising fees based on a percentage of the franchisee's gross sales as defined in the franchise agreement. Advertising fees are restricted for use by the franchise agreement to activities that maximize the general public recognition of the brand. Royalty and advertising revenue is recognized when the franchisee's reported sales occur.

Revenue from retail sales at Company owned stores is recognized at a point in time, as the delivery of products occurs. Other franchise revenue is recognized over a period of time when persuasive evidence of an arrangement existed, delivery of products had occurred, the sales price was fixed or determinable and collectability was reasonably assured.

In determining the amount and timing of revenue from contracts with customers, the Company exercises significant judgment with respect to collectability of the amount; however, the timing of recognition does not require significant judgment as it is based on either the franchise term or the month of reported sales by the franchisee or the termination of the agreement, none of which require estimation.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee Retention Credits

In April 2023, the Company filed for Employee Retention Credits (ERC) of $484,955. In accordance with ASC 450-30, the Company accounts for the ERC as revenue once it is realized or realizable. During the year ended December 31, 2023, the Company recognized $484,955 in other income related to ERC claims as well as $25,794 in interest income related to the claim.

Company Owned Store Product and Serving Supplies

Product and serving supplies cost are recognized as expense when purchased. Company owned and franchised stores purchase product and serving supplies from TWD and other unrelated vendors.

Income Taxes

The Company and its stockholders have elected to be taxed under the provisions of Subchapter "S" of the Internal Revenue Code and have elected similar provisions available in the Arizona Revenue Code. Under those provisions, the Company does not pay federal and state corporate income taxes on its taxable income. Instead, the stockholders are liable for individual federal and state income taxes for their respective shares of the Company's taxable income.

Texas franchise taxes are income taxes under U.S. GAAP and are recognized as income tax expense in the statements of income as the Company is liable for these taxes.

When applicable, the Company recognizes interest related to income taxes in interest expense and penalties in operating expenses. For the years ended December 31, 2023, 2022 and 2021, the Company had no interest or penalties related to income taxes.

Interest

Interest costs are charged to expense as incurred.

Advertising Costs

Advertising costs are charged to operations as incurred and are included in “Marketing and support” expense in the accompanying income statements. Advertising expense totaled approximately $98,966, $51,463, and $35,329 for the years ended December 31, 2023, 2022 and 2021, respectively.

Reclassifications

Certain reclassifications were made to prior year balances to conform with current year presentation.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, August 26, 2024, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recent Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which is often referred to as the CECL model, or current expected credit losses. Among other things, the amendments in this ASU require the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Financial institutions and other organizations will now use forward-looking information to better inform their credit loss estimates. Many of the loss estimation techniques applied today will still be permitted, although the inputs to those techniques will change to reflect the full amount of expected credit losses. In addition, the ASU amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration.

The Company adopted ASU 2016-13 on January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only.

In February 2016, the financial Accounting Standards Board (FASB) issued guidance (Accounting Standards codification (ASC) 842, *Leases*) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the started is the recognition of ROU assets and lease liability by lessees for those leases classified as operating leases. Under the new standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

Effective January 1, 2022, the Company adopted ASC 842 and recognized and measured leases existing at January 1, 2022 (the beginning of the period of adoption) through a cumulative effect adjustment. Lease disclosures for the years ended December 31, 2021 are made under prior lease guidance in FASB ASC 840.

As a result of the adoption of the new lease accounting guidance, the Company recognized on January 1, 2022, a lease liability and a right to use asset of $884,468, which represents the present value of the remaining operating lease payments of $1,229,070, discounted using the incremental borrowing rate of 4.6%.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements (Continued)

There was no impact to the financial statements for the application of ASC 842 to lease agreements where the Company is the lessor.

The standard had a material impact on the balance sheet, but does not have an impact on the statements of income and cash flows. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases.

Note 3: CONCENTRATIONS

Financial instruments that subject the Company to concentrations of credit risk consist principally of cash and cash equivalents and accounts receivable. The Company has cash deposits with financial institutions at December 31, 2023, 2022, and 2021 in excess of federally insured limits of approximately $1,465,000, $919,000 and $1,0310,000, respectively. Concentrations of credit risk with respect to accounts receivable is limited due to the number of customers comprising the Company's customer base and their dispersion across different geographic regions. To reduce risk, the Company routinely assesses the financial strength of its customers and, as a consequence, believes that its accounts receivable credit risk exposure is limited.

Note 4: FRANCHISING ACTIVITIES

The Company grants franchisees the right to operate individual stores under the Bahama Buck's name with access to trademarks, brands, proprietary software, and business systems under individual store agreements.

The Company receives initial franchise fees from franchisees upon signing of the initial ten-year agreement, which are nonrefundable, and after stores open, the Company receives royalties and advertising fees monthly. The initial franchise fee was $29,500, royalty and advertising fee rates were 6% and 2% of gross sales, respectively, and ten-year renewal fees were $7,500 thru May 31, 2021. Effective June 1, 2021, the initial franchise fee increased to $34,500. One half of the initial franchise fee is collected for each additional store in a multi-store amendment to the agreements at the signing of the amendment and the remainder is collected when the agreement(s) for each additional store are signed.

Total initial costs of a franchisee that are to be paid to the Company are estimated to range from $185,000 to $284,000. Franchisees are required to purchase all ice products (flavored and sugar free concentrates, pre-made frozen dessert confections, and coffee products) and logo apparel solely from TWD. At the franchisee's option, supplements for the ice products, equipment, tools, gift checks, and other logo products and supplies may also be purchased from TWD.

Note 4: FRANCHISING ACTIVITIES (Continued)

Franchisee store activity follows:

December 31,	**2023**	2022	2021
Beginning number of franchisee stores	**109**	104	102
Opened	**6**	8	3
Ceased operation	**(3)**	(3)	(1)
Net change	**3**	5	2
Ending number of franchisee stores	**112**	109	104

The Company owns and operates three stores, all of which are in Lubbock, Texas. Company owned stores are not included in the above numbers.

Note 5: NOTE RECEIVABLE

On July 1, 2021, the Company sold the company owned store located in Waco, Texas, to a franchisee for $320,500. The Company transferred ownership of the furniture and fixtures in the store to the purchaser upon receipt of a cash payment of $45,500 and a signed note receivable for $275,000. The note stipulates monthly payments of $3,053 beginning on August 1, 2021, for ten years with an interest rate of 6%.

Effective July 1, 2023, the remaining $232,946 balance of the note was transferred to a new franchisee who took over operations of the Waco store. The monthly payment and interest rate was unchanged from the original note, however repayments were suspended until June 1, 2024 without accruing additional interest under the new agreement.

The Company remains a guarantor on the original lease agreement for the Waco location, which has a monthly lease payment of approximately $2,800, until the agreement expires in March 2025. If the franchisee is unable to make lease payments through the operation of the store or other means, the Company would be responsible for the payments through the end of the agreement. No payments have been made by the Company since the date of the sale, and management does not expect to make any payments related to the agreement, therefore no liability is recorded at December 2023, 2022, or 2021 related to the guarantee of the lease agreement.

Note 6: PROPERTY AND EQUIPMENT

The components of property and equipment are as follows:

December 31,	Estimated Useful Lives (in years)	**2023**	2022	2021
Buildings and improvements	15 - 40	**$ 5,995,918**	$ 5,339,717	$ 5,055,436
Leasehold improvements	10 -15	**258,225**	258,225	258,225
Machinery and equipment	5 - 10	**737,116**	671,609	666,459
Vehicles	5	**7,748**	7,748	7,748
Signage	7	**31,703**	31,703	31,703
Furniture and fixtures	7	**141,027**	141,027	141,027
Computers and software	3 - 7	**274,964**	100,894	100,894
Total depreciable property and equipment		**7,446,701**	6,550,923	6,261,492
Less accumulation depreciation		**3,071,370**	2,850,683	2,548,700
Total depreciable property and equipment, net		**4,375,331**	3,700,240	3,712,792
Construction in progress		**-**	102,000	235,042
Land		**998,748**	998,748	998,748
Total property and equipment, net		**$ 5,374,079**	$ 4,800,988	$ 4,946,582

Depreciation expense for the years ended December 31, 2023, 2022, and 2021, was $343,144, $301,983, and $353,401, respectively. Management is not aware of any impairment of the value of the long-lived assets held-for-use detailed above.

Note 7: LONG-TERM DEBT

Long-term debt consists of the following:

December 31,	**2023**	2022	2021
Note payable to a bank in monthly installments of $17,476 including interest at 4.5% through October 2024 with a final payment of $1,788,419 due in November 2024. The note is secured by deed of trust, life insurance policies, and Company stockholder's and TWD guarantee.	**$ 1,892,231**	$ 2,002,980	$ 2,128,193
Small Business Administration note payable to finance company in monthly installments of $13,704 including interest at 4.96% with a final payment due in July 2035. The note is secured by 2nd lien deed of trust, equipment & fixtures, and Company stockholder's and TWD guarantee. The note is net of $32,826, $38,494, and $41,328 unamortized debt issuance costs, respectively	**1,342,950**	1,438,942	1,532,185
Note payable to the bank in monthly installments of $6,123 including interest at 4.5%.	**-**	139,330	204,875
Less unamortized debt issuance costs	**(32,826)**	(35,660)	(38,494)
Long-term debt, less unamortized debt issuance costs	**3,202,355**	3,545,592	3,826,759
Less current maturities	**1,988,239**	288,273	272,816
Total	**$ 1,214,116**	$ 3,257,319	$ 3,553,943

Maturities of long-term debt, net of unamortized debt issuance costs, subsequent to December 31, 2023, are as follows:

For the years ending December 31,	
2024	$ 1,988,239
2025	101,776
2026	104,798
2027	107,909
2028	111,112
Thereafter	788,521
Total	$ 3,202,355

Management intends to explore the refinancing certain debt agreements, if necessary.

Note 8: COMMITMENTS AND CONTINGENCIES

Lease Commitments

The Company has operating leases for certain retail spaces. These leases have remaining lease terms of one to four years, some of which may include options to extend the leases for up to ten years.

The components of lease expense were as follows:

For the year ended December 31,	**2023**	2022
Operating lease cost	**$ 96,209**	$ 96,209

Other information related to leases at December 31, 2023 and 2022 was as follows:

For the years ended December 31,	**2023**	2022
Supplemental Cash Flow Information		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	**$ 92,182**	$ 88,832

For the years ended December 31,	**2023**	2022
Right-of-use assets obtained in exchange for lease obligations	**$ -**	$ 884,468
Weighted average remaining lease term	**12.16 years**	13.01 years
Weighted average discount rate	**4.6%**	4.6%

Note 8: COMMITMENTS AND CONTINGENCIES (Continued)

Lease Commitments (Continued)

Future minimum lease payments under non-cancellable leases as of December 31, 2023 were as follows:

For the years ending December 31,		Operating Leases
2024	$	92,782
2025		92,832
2026		93,382
2027		93,990
2028		97,055
Thereafter		578,015
Total future minimum lease payments		1,048,056
Less imputed interest		257,627
Present value of lease liabilities	$	790,429
Reported as of December 31, 2023		
Current maturities of operating lease liabilities	$	56,947
Operating lease liabilities, less current maturities		733,482
Total	$	790,429

Lease Commitments Under ASC 840

The Company has entered non-cancelable long-term real estate operating leases for two Company owned stores as of December 31, 2021. The future minimum annual commitments, which are not included as a liability on the December 31, 2021 balance sheet are as follows:

For the years ending December 31,		Total
2022	$	117,918
2023		121,322
2024		82,769
2025		79,259
2026		79,259
Thereafter		66,050
Total	$	546,577

Rent expense of $132, 073 is included in “Facilities and equipment” expense in the income statement for the year ended December 31, 2021.

Note 8: COMMITMENTS AND CONTINGENCIES (Continued)

Contingencies

From time to time, the Company may have asserted and unasserted claims arising in the normal course of business. The Company does not expect losses, if any, arising from these asserted and unasserted claims to have a material effect on the financial statements.

Note 9: LEASE AGREEMENTS – THE COMPANY IS LESSOR

TWD leases warehouse space in the Company's corporate headquarters under an agreement that is classified as an operating lease. The current lease agreement is dated April 1, 2022, and stipulates a month-to-month tenancy at $30,000 per month. Either party can terminate the lease agreement with a 30 day notice of intent to terminate. The previous lease agreement stipulated rent at $15,000 per month through March 2022. Lease income was $360,000, $315,000, and $180,000 for the years ended December 31, 2023, 2022, and 2021, respectively, and is presented as "Lease income" in the accompanying statements of income.

Note 10: REVENUE

Approximately 72% of the revenue earned was over time. The Company is recognizing revenue over time for franchise fees, franchise royalties, advertising fees, and other franchise revenue related to franchise agreements. As of December 31, 2023, there are $2,727,590 of performance obligations to be satisfied, of which $447,824 is expected to be recognized in revenue in 2024 and $2,279,766 is expected to be recognized in future years. These performance obligations are based upon the ten year licensing agreement.

Approximately 23% of the revenue earned at a point in time. The Company is recognizing revenue at point in time for product sales and other miscellaneous fees. These performance obligations are based upon delivery of the goods or services. The remaining 5% of revenue relates to lease income.

The Company's customers are located in twelve states in the US and Puerto Rico.

Contract Balances

December 31,	**2023**	2022	2021
Contract liabilities, beginning of year	**$ 2,604,324**	$ 2,262,400	$ 2,555,575
Contract liabilities, end of year	**$ 2,727,590**	$ 2,604,324	$ 2,262,400
Receivable from contracts, beginning of year	**$ 179,237**	$ 197,666	$ 133,157
Receivable from contracts, end of year	**$ 214,706**	$ 179,237	$ 197,666

Note 11: OTHER INCOME

The components of other income at December 31, 2023, 2022 and 2021 are as follows:

December 31,	**2023**	2022	2021
Insurance claims	**$ 1,409,190**	$ 101,216	$ -
Employee retention credits and related interest	**510,749**	-	-
Interest income	**73,827**	35,553	27,556
Total other income	**$ 1,993,766**	**$ 136,769**	**$ 27,556**

Note 12: EMPLOYEE BENEFIT PLAN

The Company has established a SIMPLE IRA plan (the Plan) for employees who receive at least $5,000 in annual compensation. Upon meeting the eligibility requirements, employees may elect to have a portion of their salary contributed to the Plan pre-tax, subject to IRS limitations. The Company matches employee contributions up to 3%. The Company's contribution expense was $60,452, $55,891, and $44,317 in 2023, 2022, and 2021, respectively, which is included in "Personnel" expense in the accompanying income statements.

Note 13: RELATED PARTY TRANSACTIONS

The Company has provided funding to TWD over the years that is noninterest-bearing, unsecured, and no formal repayment terms. The amounts TWD owes the Company are reported as a long-term advance titled "Due from affiliate" in the accompanying balance sheets.

See Notes 5 and 9.

The Company owned stores purchase product and serving supplies from TWD. These purchases were $339,599, $348,143, and $363,313 in 2023, 2022, and 2021. Franchisee stores also purchase products and serving supplies from TWD.

Two Company stockholders and two employees have ownership in stores as franchisees. The two stockholders co-own a franchisee store in Lubbock, Texas, with one employee. One of the stockholders owns two franchisee stores in Utah with the other employee. This stockholder and employee also have a multi-store agreement to develop four additional stores in Utah.

Note 14: UNCERTAINTIES

The Company is a franchisor with franchised store operations in twelve states in the US and Puerto Rico with store openings in process in seven additional states at December 31, 2023. Economic factors can affect future franchise sales and, as territory is assigned to each franchise store, the Company may reach the point where existing markets become saturated and initial franchising revenue declines. Unless new markets are entered, franchise revenues after market saturation will come primarily from royalties and other fees from existing franchisees.

Note 15: PRIOR PERIOD ADJUSTMENT

During the implementation of ASC 842, an error was made in determining the option period for one of the lease agreements, for which material adjustments were made to correct the financial statements. A prior period adjustment to record an additional $415,204 to the right of use asset and related lease liability was made as of January 1, 2022. There was no effect on the income statement or retained earnings related to this adjustment.

EXHIBIT I

RECEIPT FOR COMPLETED DOCUMENTS

IF BAHAMA BUCK'S OFFERS YOU A FRANCHISE, BAHAMA BUCK'S MUST PROVIDE YOU WITH COMPLETED COPIES OF THE FRANCHISE AGREEMENT AND ALL RELATED AGREEMENTS TO BE SIGNED BY THE PARTIES AT LEAST SEVEN CALENDAR DAYS BEFORE YOU SIGN THE AGREEMENTS.

I have received one copy of each of the following agreements (check those that apply):

☒ **Exhibit B** - State Law Addendum

☒ **Exhibit C** - Bahama Buck's Franchise Agreement and its attached Exhibits:

Exhibit 1 – Terms (with blanks filled in)
Exhibit 2 – Guaranty (form with blanks)
Exhibit 3 – Confidentiality and Noncompetition Agreement (form with blanks)
Exhibit 4 – Mobile/Satellite Sales Amendment (form with blanks)
Exhibit 5 – Electronic Funds Transfer Authorization (form with blanks)
Exhibit 6 – Ohio Notice of Cancellation (form with blanks)
Exhibit 7 – Development Extension Amendment to Franchise Agreement (form with blanks)

Copy(ies) of Exhibit 2 - the Guaranty of the Franchise Agreement (with blanks filled in) for the following individuals:

☐ _____
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Copy(ies) of Exhibit 3 - the Confidentiality and Noncompetition Agreement (with blanks filled in) for the following individuals:

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Copy(ies) of Exhibit 4 - the Mobile/Satellite Sales Amendment (form with blanks) for the following individuals:

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Copy(ies) of Exhibit 5 –Electronic Funds Transfer Authorization (form with blanks) for the following individuals:

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Copy(ies) of Exhibit 6 – Ohio Notice of Cancellation:

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Copy(ies) of Exhibit 7 – Development Extension Amendment to the Franchise Agreement (form with blanks) for the following individuals:

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☐ **Exhibit D** - Multi-Store Amendment (with blanks filled in)

☐ **Exhibit J** - Confirmation of Sales Procedures (form with blanks to be filled in by Franchisee at closing)

REMAINDER OF PAGE LEFT BLANK INTENTIONALLY

I received these documents on _____, 20__.

Bahama Buck's has provided these documents to me for informational purposes. My signing this receipt does not obligate me in any way, and does not obligate BAHAMA BUCK'S to grant me a franchise.

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

Individually and, if applicable, as an officer, partner or manager of and on behalf of

a _____ corporation
a _____ partnership
a _____ limited liability company

SUBSCRIBED AND SWORN to before me this ___ day of _____, 20__.

_____
Notary Public

My Commission Expires:

_____

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EXHIBIT I

RECEIPT FOR COMPLETED DOCUMENTS

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☐ **Exhibit J** - Confirmation of Sales Procedures (form with blanks to be filled in by Franchisee at closing)

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Bahama Buck's has provided these documents to me for informational purposes. My signing this receipt does not obligate me in any way, and does not obligate BAHAMA BUCK'S to grant me a franchise.

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

Individually and, if applicable, as an officer, partner or manager of and on behalf of

a _____ corporation
a _____ partnership
a _____ limited liability company

SUBSCRIBED AND SWORN to before me this ___ day of _____, 20__.

_____
Notary Public

My Commission Expires:

_____

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EXHIBIT J

CONFIRMATION OF SALES PROCEDURES

I hereby confirm the following facts to Bahama Buck's Franchise Corporation ("Bahama Buck's") and to its Officers, Directors and Management, on behalf of myself personally, and if applicable, as an Officer, Partner or Manager of a corporation, partnership or limited liability company and on its behalf:

1. Date I received a copy of the Franchise Disclosure Document Bahama Buck's and the following Exhibits attached thereto:

_____
Date

_____
Initial

Exhibit A – State Agencies
Exhibit B – State Law Addendum
Exhibit C – Franchise Agreement and its Exhibits
- 1 – Terms
- 2 – Guaranty
- 3 – Confidentiality Agreement and Noncompetition Agreement
- 4 – Mobile/Satellite Sales Amendment
- 5 – Electronic Funds Transfer Authorization
- 6 – Ohio Notice of Cancellation
- 7 – Development Extension Amendment to Franchise Agreement

Exhibit D – Multi-Store Amendment
Exhibit E – Tables of Contents of Manuals
Exhibit F – Current Franchisees
Exhibit G – Former Franchisees
Exhibit H – Financial Statements
Exhibit I – Receipt for Completed Documents
Exhibit J – Confirmation of Sales Procedures
Exhibit K – Agents for Service of Process

State Effective Date Page
Receipts

2. Date I received copies of the Supplemental Disclosures to the Franchise Disclosure Document of Bahama Buck's dated July 16, 2025, and any attached Exhibits.

_____
Date

_____
Initial

3. Date I received copies of the State Law Addendum (except for signatures) with all blanks filled in.

_____
Date

_____
Initial

4. Date I received copies of the Franchise Agreement with its attached Exhibits (check the boxes and fill in the names for those you received), each completed (except for signature) with all blanks filled in where applicable:

_____
Date

_____
Initial

☒ Franchise Agreement and its attached Exhibits:

Exhibit 1 – Terms (with blanks filled in)
Exhibit 2 – Guaranty (form with blanks)
Exhibit 3 – Confidentiality Agreement and Noncompetition Agreement (form with blanks)
Exhibit 4 – Mobile/Satellite Sales Amendment (with blanks filled in if applicable)
Exhibit 5 – Electronic Funds Transfer Authorization
Exhibit 6 – Ohio Notice of Cancellation
Exhibit 7 – Development Extension Amendment to Franchise Agreement

Copy(ies) of Exhibit 2 - the Guaranty of the Franchise Agreement (with blanks filled in) for the following individuals:

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☐ _____

Copy(ies) of Exhibit 3 - the Confidentiality Agreement and Noncompetition Agreement (with blanks filled in) for the following individuals:

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☐ _____

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☐ _____

Copy(ies) of Exhibit 5 –Electronic Funds Transfer Authorization (form with blanks) for the following individuals:

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☐ _____

Copy(ies) of Exhibit 6 – Ohio Notice of Cancellation:

_____
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☐ _____

Copy(ies) of Exhibit 7 – Development Extension Amendment to the Franchise Agreement (form with blanks) for the following individuals:

☒ _____
☒ _____
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☐ _____

5. Date I received copies of the Multi-Store Amendment, completed (except for signatures) with all blanks filled in.

_____ Date

_____ Initial

6. Date I actually signed the Franchise Agreement and the other documents checked in questions 6-8 above.

_____ Date

_____ Initial

7. Date first payment was made to BAHAMA BUCK'S: (see addendum)

_____ Date

_____ Initial

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Dated: _____

_____	_____
(Name Printed or Typed)	Signature as an individual and on behalf of:
_____	_____
(Name Printed or Typed)	Signature as an individual and on behalf of:
_____	_____
(Name Printed or Typed)	Signature as an individual and on behalf of:
_____	_____
(Name Printed or Typed)	Signature as an individual and on behalf of:
_____	_____
Street Address	a _____ corporation a _____ partnership a _____ limited liability company
_____	
City, State, Zip	

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EXHIBIT K
AGENTS FOR SERVICE OF PROCESS

Bahama Buck's Franchise Corporation's statutory agent for service of process in Arizona, its state of incorporation is:

Registered Agents, Inc.
1846 E. Innovation Park Drive, Suite 100
Oro Valley, AZ 85755
520-334-1150

In addition, we have a statutory agent for service of process in the following states:

California	California Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 W. 4th Street, Suite 750 Los Angeles, California 90013-2344 (866) 275-2677
Hawaii	Commissioner of Securities of the State of Hawaii 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722
Maryland	Maryland Securities Commissioner Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-7786
New York	Secretary of State 99 Washington Avenue Albany, New York 12231 (518) 473-2492
Rhode Island	Department of Business Regulation Securities Division 1511 Pontiac Avenue, Building 69-1 Cranston, Rhode Island 02920 (401) 602-3646
Virginia	The Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733
Washington	Washington Dept. of Financial Institutions Securities Division 150 Israel Road SW Tumwater, Washington 98501 (360) 902-8760

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, 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:

CALIFORNIA	
HAWAII	
ILLINOIS	
INDIANA	
MARYLAND	
MICHIGAN	**August 8, 2025**
MINNESOTA	
NEW YORK	
NORTH DAKOTA	
RHODE ISLAND	
SOUTH DAKOTA	
VIRGINIA	
WASHINGTON	
WISCONSIN	

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.

RECEIPTS

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 BAHAMA BUCK'S OFFERS YOU A FRANCHISE, BAHAMA BUCK'S MUST PROVIDE THIS DISCLOSURE DOCUMENT TO YOU 14 CALENDAR DAYS BEFORE YOU SIGN A BINDING AGREEMENT WITH OR MAKE PAYMENT TO US OR AN AFFILIATE IN CONNECTION WITH THE PROPOSED FRANCHISE SALE.

NEW YORK REQUIRES THAT BAHAMA BUCK'S GIVES YOU THIS DISCLOSURE DOCUMENT AT THE EARLIER OF THE FIRST PERSONAL MEETING OR 10 BUSINESS DAYS BEFORE THE EXECUTION OF THE FRANCHISE OR OTHER AGREEMENT OR THE PAYMENT OF ANY CONSIDERATION THAT RELATES TO THE FRANCHISE RELATIONSHIP.

MICHIGAN REQUIRES THAT BAHAMA BUCK'S GIVES YOU THIS DISCLOSURE DOCUMENT AT LEAST 10 BUSINESS DAYS, BEFORE THE EXECUTION OF ANY BINDING FRANCHISE OR OTHER AGREEMENT OF THE PAYMENT OF ANY CONSIDERATION, WHICHEVER OCCURS FIRST.

IF BAHAMA BUCK'S DOES NOT DELIVER THIS DISCLOSURE DOCUMENT ON TIME OR IF IT CONTAINS A FALSE OR MISLEADING STATEMENT OR 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 YOUR STATE AGENCY LISTED IN THE STATE AGENCIES EXHIBIT.

THE NAME, PRINCIPAL BUSINESS ADDRESS AND TELEPHONE NUMBER OF EACH FRANCHISE SELLER OFFERING THE FRANCHISE IS: Ryan Blake Buchanan, 5741 50th Street, Lubbock, Texas 79424 and _____**.**

Issuance Date: July 16, 2025

See Exhibit K for our registered agents authorized to receive service of process.

On_____, I received a disclosure document dated July 16, 2025, that included the following Exhibits:

Exhibit A	State Agencies	Exhibit D	Multi-Store Amendment
Exhibit B	State Law Addendum	Exhibit E	Table of Contents of Manual
Exhibit C	Franchise Agreement and Attached Exhibits 1. Terms 2. Guaranty 3. Confidentiality and Noncompetition Agreement 4. Mobile/Satellite Sales Amendment 5. Electronic Funds Transfer Authorization 6. Ohio Notice of Cancellation Franchise Agreement 7. Development Extension Amendment	Exhibit F Exhibit G Exhibit H Exhibit I Exhibit J Exhibit K SED RECEIPTS	Current Franchisees Former Franchisees Financial Statements Receipt for Completed Documents Confirmation of Sales Procedures Agents for Service of Process State Effective Date Page

Please sign this copy of the receipt, date your signature, and return it to Bahama Buck's, 5741 50th Street, Lubbock, Texas 79424. This disclosure document is also available in .pdf format [by request].

Dated: _____, 20__.

_____

Individually and, if applicable, as an officer, partner, member or manager of, and on behalf of

_____

a _____ corporation

a _____ partnership

a _____limited liability company

RECEIPTS

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IF BAHAMA BUCK'S DOES NOT DELIVER THIS DISCLOSURE DOCUMENT ON TIME OR IF IT CONTAINS A FALSE OR MISLEADING STATEMENT OR 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 YOUR STATE AGENCY LISTED IN THE STATE AGENCIES EXHIBIT.

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Issuance Date: July 16, 2025

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Dated: _____, 20__.

_____

Individually and, if applicable, as an officer, partner, member or manager of, and on behalf of

_____

a _____ corporation

a _____ partnership

a _____limited liability company