FRANCHISE DISCLOSURE DOCUMENT

BAM FRANCHISING, INC.
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The Franchise offered is for the operation of a retail store that buys and sells new and used LEGO® building bricks, minifigures and accessories to the general public under the name "Bricks and Minifigs®".

The total investment necessary to begin operation of a Bricks & Minifigs™ franchised business is $108,500 to $276,400. This includes $25,000 that must be paid to the Franchisor or its affiliate(s).

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read the 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 any affiliate in connection with the proposed franchise sale. **Note, however, no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact: Ammon McNeff, President, BAM Franchising, Inc., 225 West 520 North, Orem, Utah 84057, (888) 534-6776.

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

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

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

Issuance Date: April 30, 2021

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 described 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 Bricks and Minifigs business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Bricks and Minifigs franchisee?	Item 20 or Exhibits F and G lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the Table of Contents.

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What You Need to Know About Franchising *Generally*

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

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

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

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

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 B.

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

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Special Risks to Consider About *This* Franchise

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

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

2. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss or your investment.

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

NOTICE REQUIRED
FOR PROSPECTIVE FRANCHISEES
BY STATE OF MICHIGAN

The State of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, according to the Michigan Department of Attorney General, Consumer Protection Division (the "*Division*"), the provisions are void and cannot be enforced against you:

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

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

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

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

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

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

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

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

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

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

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

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

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market value or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c) above.

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

The fact that there is a notice of this offering on file with the Attorney General of Michigan does not constitute approval, recommendation, or endorsement by the Attorney General.

Any questions regarding this notice should be directed to the Michigan Department of Attorney General, Consumer Protection Division, Franchise Section, 525 W. Ottawa Street, Williams Building, 1st Floor, Lansing, MI 48933; (517) 373-7177.

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

Franchise Disclosure Document
BAM Franchising, Inc.

TABLE OF CONTENTS

ITEM		PAGE
1	THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES	1
2	BUSINESS EXPERIENCE	3
3	LITIGATION	3
4	BANKRUPTCY	3
5	INITIAL FEES	4
6	OTHER ITEMS	4
7	ESTIMATED INITIAL INVESTMENT	8
8	RESTRICTION ON SOURCES OF PRODUCTS AND SERVICES	12
9	FRANCHISEE'S OBLIGATIONS	14
10	FINANCING	16
11	FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS & TRAINING	16
12	TERRITORY	25
13	TRADEMARKS	28
14	PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION	30
15	OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	31
16	RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	32
17	RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION	32

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18 PUBLIC FIGURES……..... 36

19 FINANCIAL PERFORMANCE REPRESENTATIONS.....36

20 OUTLETS AND FRANCHISEE INFORMATION.....40

21 FINANCIAL STATEMENTS.....45

22 CONTRACTS.....45

23 RECEIPTS …….....45

EXHIBITS

EXHIBIT A. FRANCHISE AGREEMENT

EXHIBIT B. LIST OF STATE FRANCHISE REGULATORS

EXHIBIT C. DISCLOSURE ACKNOWLEDGMENT AND AGREEMENT

EXHIBIT D. STATE ADDENDA

EXHIBIT E. OPERATIONS MANUAL TABLE OF CONTENTS

EXHIBIT F. LIST OF FRANCHISEES

EXHIBIT G. FRANCHISEES WHO HAVE LEFT THE SYSTEM

EXHIBIT H. FINANCIAL STATEMENTS

EXHIBIT I. FORM OF GENERAL RELEASE

EXHIBIT J. STATE EFFECTIVE DATES & RECEIPTS

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ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS & AFFILIATES

The Franchisor is BAM Franchising, Inc., doing business as "Bricks & Minifigs®". For ease of reference, BAM Franchising, Inc. is referred to as "we", "us", and "our" in this Disclosure Document. We refer to the person or entity who buys the franchise as "you" or "your" in this Disclosure Document. If you are a Limited Liability Company or Corporation, certain provisions of the Franchise Agreement also apply to your members or owners and will be noted.

We are an Oregon corporation. We anticipate redomiciling our legal entity to the State of Utah during 2021. We do business under the same name as our corporate name "BAM Franchising, Inc." and may also use the names "Bricks & Minifigs", "Bricks and Minifigs" or "Bricks and Figs". Our principal business address is 225 West 520 North, Orem, UT 84057. We operate (through an affiliate disclosed below) and sell franchises for the operation of businesses that operate in a uniform system and in accordance with the business format created and developed by "Bricks and Minifigs®" (the 'Business' or 'Franchise'). We offer a Franchise Agreement for the development and operation of a re-sale store specializing in LEGO® brand products at a specified location that is within a protected territory. We have offered franchises for this business since 2011. We do not have any other business activities. We have not conducted a business of the type to be operated by our franchisees, but our former affiliate, Cerebral Plastics Inc., an Oregon corporation, operated a Bricks and Minifigs business in Canby, Oregon from 2010 to 2017. Our former affiliate transferred the franchise to a franchisee in 2017. We have never offered franchises in any other line of business. Our agents for service of process are disclosed in Exhibit B.

Parents, Predecessors and Affiliates:

We have no parents, predecessors or affiliates that are required to be disclosed in this Disclosure Document. We have not had any predecessors during the ten-year period immediately before the close of our most recent fiscal year.

Our Business and the Franchises Offered in this State:

The Bricks & Minifigs® Business has been developed to offer a complete solution for any group or person who is seeking to sell, trade or purchase new and/or used LEGO® building bricks, mini figures and accessories. This is a retail store typically located in shopping malls, strip centers or free standing structures (all of which must be approved by us) featuring high quality LEGO® products and related merchandise. A Bricks & Minifigs® franchise will provide programs permitting customers to sell and/or trade their used LEGO® bricks, LEGO® mini figures and accessories; offer for sale a wide selection of new and used LEGO® bricks, LEGO® mini figures and accessories sold in bulk or full play sets; and offer for sale apparel and other merchandise approved by us. Subject to our standards, specifications, and approval (if we so require), you may also offer the following products and services: online LEGO® sales, LEGO® memorabilia, LEGO® posters, approved non-LEGO® toys, consignment services, approved themed entertainment services (such as birthday parties, holiday parties or school events), approved off-site events, after school project-based programs teaching the principles of building with LEGO® bricks to children, and other toy-related products and services approved by us.

Competition includes LEGO® branded retail stores, discount retail stores, specialty retail stores, department stores and consignment stores operated by national chains, franchised operations and

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independently owned retailers and online stores offering similar products to those found in a Bricks & Minifigs® business. Products will typically be sold to families with children, hobbyists and, except that purchases may increase during the period from Thanksgiving to Christmas, the LEGO® re-sale industry is highly competitive throughout the United States as the market is continuously changing and evolving.

The Bricks & Minifigs® business is characterized by a uniform business format that is simple and efficient with distinctive LEGO® products, accessories and inventory management systems; merchandising, sales techniques and methods; a unique and recognizable exterior and interior layout with décor, color scheme, displays and furnishings; a regional Franchise web page housed within the national website; customer service guidelines, product and vendor specifications; guidelines for hiring and retaining staff, operational procedures for a Bricks & Minifigs® business; procedures for safety and quality control; training and ongoing operational assistance; marketing, advertising and promotional programs; all of which may be changed, improved, and further developed by us periodically (the "System"). The System is identified by means of certain trade names, service marks, trademarks, slogans, logos, emblems, and indicia of origin, including, but not limited to, the mark with design "Bricks and Minifigs".

Laws and Regulations:

Generally, there are no governmental regulations that apply specifically to operating a re-sale store specializing in LEGO® brand products. You must comply with all local, state and federal laws that apply to your business and to the public use generally. Those laws include health sanitation, smoking, Equal Employment Opportunity Commission ("EEOC"), Occupational Safety and Health Administration, Federal Trade Commission ("FTC"), consumer protection laws, second hand or re-sale store laws, pricing laws and employment laws. Such employment laws include regulations concerning wage rates, mandated employee benefits, employment taxes, worker safety, unemployment compensation, workers' compensation, teenage labor practices, disabled employees and discrimination in employment practices. You must pay your employees properly. You will be subject to the Americans with Disabilities Act which prohibits practices that discriminate against physically and mentally challenged individuals regarding access to public accommodations and employment opportunities. There may be other laws and codes applicable to your business and we urge you to make further inquiries about those laws and codes.

You should investigate whether there are any state or local regulations or requirements that may apply in the geographic area in which you intend to conduct business. You should consider both their effect on your business and the cost of compliance. It is your sole responsibility, to investigate, satisfy and remain in compliance with all local, state and federal laws, since they vary from place to place and can change over time. This is especially important with regards to state and/or local orders regarding COVID-19. Many cities and/or states are currently requiring stricter cleaning and disinfecting regimens, the wearing of face masks or face shields, curtailed hours of operation, a limit on the number of customers in a store at one time and so forth. Additional expenses may be incurred to comply with these requirement. We recommend that you consult with your attorney for an understanding of all the laws applicable to your specific Bricks & Minifigs™ Franchise.

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Item 2
BUSINESS EXPERIENCE

Reed Brimhall, Chief Financial Officer

Reed has been our Chief Financial Officer since June 2016. He has served as Senior Executive Vice President and Chief Financial Officer for Scentsy, Inc. in Meridian, Idaho since January 2015. He was Vice President and Chief Accounting Officer for URS Corporation in San Francisco, California from May 2003 to January 2015.

Ammon McNeff, President

Ammon has been our President since April 2018. He has served as President for Legally Mine, LLC in Orem, Utah since January 2011. He has been co-owner of Kragle, LLC, our franchisee in Orem, Utah, since June 2017.

Matthew McNeff, Treasurer

Matthew McNeff has been our Treasurer since April 2018. He has served as Vice-President Marketing for Legally Mine, LLC in Orem, Utah since January 2011. He has been co-owner of Kragle, LLC, our franchisee in Orem, Utah, since June 2017. Ammon and Matthew McNeff are brothers and Dan McNeff is their father.

Matthew Thomas, Operations Manager

Matthew Thomas has been our Operations Manager since April 2018. From November 2016 to April 2018, he was based in Canby, Oregon and provided Store Support to our franchisees. He served on the staff and served as Store Manager for the Bricks & Minifigs outlet in Canby, Oregon from June 2014 to 2018.

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

The Initial Franchise Fee for a single area Franchise (the "Initial Franchise Fee") is $25,000. The Initial Franchise Fee is payment, in part, for expenses incurred by us in furnishing assistance and services to you as set forth in the Franchise Agreement and for costs incurred by us, including general sales and marketing expenses, training, legal, accounting and other professional fees.

Currently, you are not required to purchase any equipment, products or inventory from us or our affiliates.

Currently, the Initial Franchise Fee for the purchase of an additional franchise is $10,000.

The initial Franchise Fee is payable in full when you sign the Franchise Agreement. The initial Franchise Fee is deemed fully earned and is non-refundable except as follows: If during the initial training program, we believe that you are not qualified to operate a Bricks & Minifigs™ Franchise, then we will terminate your Franchise and refund your franchise fee minus our demonstrated expenses without interest.

If you obtain a franchise by purchasing the business of one of our existing franchisees, you will not pay the Initial Franchise Fee, but you or the existing franchisee must pay us our then-current transfer fee (currently $5,000). The mandatory initial training program is included in that fee. In the event that you sell your franchised operation, a separate transfer fee may apply. Payment of the transfer fee covers reasonable legal, accounting, credit check, and investigation expenses that result from the transfer and relieves you of your obligation to pay the Initial Franchise Fee.

Item 6
OTHER ITEMS

Type of Fee	Amount	Due Date	Remarks
Royalties	6% of monthly Revenues or a flat $500 per calendar month (whichever is greater) starting on the opening date of your Business.	Due by the 10th day of each month for the previous month.	See Note 1
System Advertising Fee	A flat $50 per calendar month starting the first full calendar month after the opening date of your Business.	Due by the 10th day of each month for the previous month.	We may increase this fee once in any calendar year, but not more than $15 per month upon 90 days' notice to you. See Note 2 & Item 11
Grand Opening Marketing	You must spend at least $5,000 for Grand Opening Marketing.	In conjunction with the opening of your Store and as we may specify in our Operations Manual	

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Type of Fee	Amount	Due Date	Remarks
Interest and Late Charges	1.5% per month, plus 10% of the amount due	On due date of fees	See Note 4
Additional Training	Then-current fees, currently $300 per person per day or costs of third party charges to be determined at our sole discretion.	At time training is scheduled and/or additional assistance is requested by you	While the Initial Franchise Fee includes the cost for our initial training program, the Initial Franchise Fee only covers training for up to three individuals. See Item 11
Transfer Fee	A flat $5,000 fee for each Franchise. If transferee came from our lead database, you may be required to pay the then-current referral fee to us plus any costs associated with applicable broker fees.	At the time the transferee signs the Franchise Agreement in effect for transfer or sale	Payable to us when the Franchise Agreement or a material portion of the assets in the business is transferred
Costs and Attorney's Fees	Will vary under circumstances	As Incurred	Payable as incurred by us in any action for the enforcement of any item of the Franchise Agreement
Audit Expenses	Cost of Audit Fees plus interest @ 18% per year up to the maximum interest rate allowed by law.	Ten days after receipt of audit report	Payable only if you understate Revenues by 2% or more. We expect the cost to be between $2,500- $5,000 unless your books are not well kept.
Indemnification	Will vary under circumstances	On Demand	As Incurred; See Note 5
Association Dues and Membership Fees	Dues and membership fees estimated to be $500-$1,000 per year for professional organizations.	As Incurred	See Note 6

Type of Fee	Amount	Due Date	Remarks
Product and Vendor Assessment Fee	$100 per product or vendor	On demand	See Note 7
Renewal Fee	A flat $2,000 fee for each Franchise	Before renewal	For the same protected area
Maintain and Renovate Business	$0 - $2,000 estimated cost per year or up to $6,000 every third year to maintain and renovate your Business as necessary.	As Incurred	We may require you to renovate your Business once every three years. Payable to third parties.
Conference Fee	Conference fee, travel, transportation, lodging, meals and incidental expenses in addition to compensation of the people you send to any conferences will vary under circumstances. There will be a registration fee for conferences not to exceed $500 per person although we will work in good faith to keep the cost so it does not exceed our cost. .	As Incurred	As Incurred and Payable to Third Parties.
Continuing Education	Will vary under circumstances. Continuing Education is currently $300 per person per day subject to the current per diem fee plus our expenses, to be determined at our sole reasonable discretion. There will be a registration fee for conferences.	As Incurred	The location for the Continuing Education will be at our headquarters although we reserve the right to provide them over the internet or phone. There may normally be an annual conference for all franchisees and other conferences as needed. Also see Item 11, (14) (iii) for more detail.

Except as stated above, you pay all fees to us. All fees are non-refundable and are uniformly imposed unless otherwise provided in this Item. We permit renewing franchisees to keep the same royalty fee percentages and minimums when they renew, but we reserve the right to change this practice at any time by requiring renewing franchisees to pay then-current royalty fee percentages and minimums.

Note 1: Revenue is defined in the Franchise Agreement as the gross amount, in money or other forms of consideration that you earn or receive from any source-related to, or in connection with, the operation of your franchised business or with this franchise, from all transactions in store, online or any other market place. Revenue also includes fair market value for any service or product you receive in barter or exchange for your services or products and all insurance proceeds that you receive for the loss of the Business due to a casualty to or similar event at the Business. We exclude only gratuities paid by customers to employees of the Business, sales tax receipts that you must by law collect or pay, customer discounts, and any customer refunds of previous payments you actually make.

The royalty obligations begin immediately after the opening date of your store for business then continues for the term of your franchise. The royalty is due and payable monthly on the 10th day of each month but is to be paid to us in the manner in which specify. The royalty rate is the greater of 6% of Revenues or a flat $500 per calendar month for the entire term of your Franchise Agreement. During the first partial month during which you operate your Store, the percentage Royalty Fee shall apply, but the minimum Royalty Fee shall not apply. If your Franchise Agreement is terminated, you may be required to continue such royalty payments for the term of your Franchise Agreement.

Royalty fees shall be payable by direct deposit from your account to our account by electronic funds transfer or other method we determine. We reserve the right to change the time and manner of payment for the Royalty Fee upon written notice to you.

If you purchase a franchise from an existing franchisee, then you will pay the Royalty Fee provided in the selling franchisee's franchise agreement, although you will sign a new Franchise Agreement that may contain other materially different terms and conditions. We reserve the right to change this practice at any time by requiring purchasers of existing franchises to pay our then-current royalty fee percentages and minimums.

Note 2: The System Advertising Fee is collected by us and all System Advertising Fees are non-refundable. You pay the System Advertising contribution at the same time and under the same terms as the royalty described above.

Note 3: We do not have any regional advertising cooperatives at this time, and therefore company owned outlets do not have controlling voting power over any regional advertising cooperatives.

Note 4: Interest and late charges begin to accrue from the due date of payment. You must also pay any damages, expenses, collection costs and reasonable attorney fees we incur when you do not make the required payments. Interest and late charges will not exceed limits imposed by applicable law.

Note 5: You must protect, defend, indemnify and hold us harmless against any claims, lawsuits or losses arising out of your operation of the franchised business. If you default under the agreement and we engage an attorney for collection or enforcement, you must pay all our damages and costs to the extent permitted by law (Franchise Agreement Section 16).

Note 6: We may require or recommend that you to join and participate in various industry specific local or national associations. The cost of these organizations will vary depending on their membership requirements (Franchise Agreement Section 10). Whether or not membership dues are refundable

depends on the professional organization. Due for membership in a professional organization are normally payable to that professional organization. Due for membership in a professional organization may or may not be uniformly imposed depending on the professional organization.

Note 7: You will be required to obtain our written approval for any product, vendor and/or supplier you wish to use in the operation of your Business that is not on our pre-approved list (as described in Item 8) and you will be responsible for paying us an assessment fee. This fee is $100 for any single non-LEGO® or LEGO® compatible product, vendor and/or supplier you wish to sell, offer, use and/or substitute in your Business. We may waive these fees if the products, vendors and/or suppliers you select meet our requirements and make it on our approved list of products, vendors and/or suppliers for all Franchise locations.

Item 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee	$25,000	$25,000	Cash, Certified Check or Wire Transfer	At signing of the Franchise Agreement	Franchisor
Computers, Software POS System and Office Supplies	$3,200	$6,500	As Incurred	Before Opening	Vendors; See Note 6
Furniture and Fixtures	$2,500	$12,000	As Incurred	Before Opening	Vendors; See Note 1
Real Estate	$4,500	$13,000	As Incurred	Before Opening	Landlord; See Note 7
Leasehold Improvements	$1,500	$7,500	As Incurred	Before Opening	Landlord; See Note 2
Utility Deposit	$100	$300	Costs will vary due to policies of local utilities and	Before Opening	Local Utility Suppliers
Inventory	$35,000	$125,000	Estimates for a startup inventory of products and supplies necessary for the operation of the Business.	Before opening as incurred over the course of the first month of operation	Payable to us or third parties; See Note 3
Uniforms	$300	$600	Estimate varies depending upon number of staff.	Before Opening	Vendors

Type of Expenditure	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is Made
Signage	$7,500	$15,000	Estimated cost for the delivery and installation of exterior and interior signage. We specify and provide you with the guidelines in the Operations Manual. Signage expenses are not refundable.	Before Opening	Vendors
Grand Opening Marketing	$5,000	$7,500	Marketing will vary depending on several factors including your business plan, growth rate, cost of media in your area and ability to attract customers. Includes minimum amount of $5,000 for grand opening expenses in conjunction with the opening of your Store and as we may specify in our Operations Manual.	As Incurred	Local Vendors
Staffing (First 3 Months)	$3,700	$12,000	As Incurred	As Incurred	Salaries and Expenses; See Note 8
Insurance (12 Months)	$800	$2,500	As Incurred	Before Opening and As Incurred	Payable to third parties; See Note 4
Travel, Lodging and Meals for Initial Training Program	$800	$2,000	As Incurred	As Incurred During Training	Vendors; See Item 11
Business Licenses, Permits and Professional Legal and Accounting Fees	$600	$2,500	As Incurred	Before Opening	Appropriate licensing authorities and Third Parties
Additional Funds - 3 Months	$20,000	$45,000	As Incurred	As Incurred	See Note 5
Total	$108,500	$276,400			

Note 1: This is an estimate for the items we would expect you to need for fixtures, desks, chairs, shelving units for merchandise, display cases, cabinets, counters, storage racks, tables and other furniture necessary for the operation of your business. Actual furniture and fixture costs may vary due to square footage. If

applicable, you must also pay state and local sales tax on purchases of furnishings and fixtures. The sales taxes may range from 3% to 10% of the purchase price and are not included in these estimates. Expenses for the furniture and fixtures may or may not be refundable depending on the terms of the invoice or the purchase agreement.

Note 2: We advise you to find a space needing minimal leasehold improvements or fixtures. In most cases you will need to alter the interior of your Business before you open for operation. These sums do not include any sums for the purchase of real property, as we do not expect that you will buy real property. A typical leased location is a retail space in an outlet center, shopping mall or a non-traditional retail space and the typical franchised business has approximately 1,000-3,000 square feet of space. You may be able to reduce this expense if you are able to occupy a space in an existing location that compliments another business. The space must be an enclosed and separate from other businesses with its own locking door. Whether or not any build out expenses are refundable depend on the terms and conditions of your contracts with construction and mechanical contractors, as well as your lease agreement (Franchise Agreement Section 4). Lease payments for the periods of time that you occupy your premises are not refundable. In the event you leave your leased premises before the termination of your lease, you may owe the landlord payment for the entire lease term depending on the terms and conditions of your lease.

Note 3: You must purchase products and supplies for the general operation of the franchised business as specified in the Operations Manual. You must purchase only approved products and supplies, and you must purchase products that meet our specifications, which may change from time to time. The types of products and supplies includes but is not limited to: New LEGO® kits, new and used LEGO® bricks and mini-figures in bulk, LEGO® posters and other miscellaneous products or supplies as specified by us. Such items may be purchased through us, our affiliates or approved vendors and/or suppliers locally and/or nationally and may not be refundable depending on the terms of the invoice or purchase agreement (Franchise Agreement Sections 4 and 8).

Note 4: This estimated amount represents twelve months of pre-paid insurance premiums that does not take into account workers' compensation insurance which may vary greatly by state, payroll and classification. You must obtain and keep general comprehensive liability insurance with a minimum policy limit of $1,000,000 per occurrence and $2,000,000 aggregate or an amount we reasonably specify. You are also required to obtain All Risk property insurance that covers the assets of the Business and Business Interruption Insurance (Franchise Agreement Section 8).

You may need other insurance such as tenant's liability, statutory workers' compensation insurance (if applicable) and employer's liability insurance with minimum policy limits of $1,000,000 or an amount we reasonably specify. You may need automobile liability insurance, product liability insurance (covers you for damages that result in injury from products that you distribute), professional liability insurance (covers you for damages that you create that do not result in property or bodily injury) and employee dishonesty insurance are optional however we may require you to obtain this coverage in the future with liability limits of amounts we may reasonably specify. We may change these insurance requirements on reasonable notice to you. There are no other insurance requirements. Whether or not any insurance premiums are refundable depend on the terms and conditions of your insurance policies.

Note 5: Competitive conditions described in Item 1 will affect these costs. Estimate includes minimum working capital for the startup of your business. This also includes estimates of miscellaneous startup costs such as: rent for an additional two months, purchasing additional inventory, workman's compensation insurance payments, tax deposits, prepaid expenses, additional permits, legal fees, accounting fees and other

miscellaneous costs, and additional training (if applicable). When preparing these figures, we considered our principals' combined expertise and experience operating businesses similar to the franchise we offer by this disclosure document.

Note 6: These estimated amounts include computers, software, printers, POS system, cash register, high-speed internet connection modems and routers, telephones with an answering, camera and security system, containers, packaging materials and general office supplies.

Note 7: Estimated expenses for your business location based on leasing 1,000 to 3,000 square foot facility. This estimate includes a security deposit.

Note 8: You may need to hire part-time sales staff. This is an estimate for the first three months of operation.

Total Estimated Initial Investment. We relied on our principals' combined expertise when preparing these figures. The actual amount of funds you will need depends on a variety of factors, including the size of your store, the location of your store, the time of year when you start your business, the amount of inventory you purchase, implementation of a marketing plan, your own management skill, economic conditions, competition in your area and other factors. The estimate of initial investment funds is based on an owner-operated business or incorporating Franchise operations to an existing complimentary business and does not include salaries or benefits for full-time employees. As your Business grows, you may choose to hire employees to carry out support service tasks.

These figures are just estimates. This estimate of startup costs is calculated for a period of three months, with additional operating capital to be available as may be needed during the initial phase. These costs do not include your website hosting, maintenance fees or royalties which begin the first day the Franchise Agreement is effective after the initial training is completed. These costs should be included in your projections of overall operations costs beginning with your first month of operation. We acknowledge that you may choose to invest additional funds into your business during the first three months of operation, and sometimes longer. You should review the figures carefully with a business advisor and identify your individual expenses along with cash flow projections before making any decision to buy the franchise.

We do not offer financing, directly or indirectly, for any part of the initial investment for a Franchise. The availability and terms of third-party financing will depend on factors such as the availability of financing generally, your creditworthiness, collateral you may have, and the lending policies of financial institutions. The estimate does not include any finance charges, interest, or debt service obligation, or your living expenses.

The initial Franchise Fee is not refundable except as follows: If during the initial training program, we believe that you are not qualified to operate a Bricks & Minifigs™ Franchise, then we will terminate your Franchise and refund your Initial Franchise Fee minus our demonstrated expenses without interest. Except as provided in this Item, any other fees paid to us are not refundable. Amounts paid to any third parties may be refundable, depending upon the contracts between them and you.

Item 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We may offer or designate others to offer certain products, supplies, point of sale (POS) system, cash registers, software or services and we may become approved suppliers or the only approved supplier(s) for these and other products and services. The products, supplies or services include but are not

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limited to: new and used LEGO® building bricks, LEGO® mini figures and accessories, new LEGO® play sets, pre-approved non-LEGO® branded and LEGO® compatible products, apparel, LEGO® event and/or season specific merchandise in addition to packaging materials, printed advertising materials, promotional items, shows and event marketing opportunities, and vendor, co-branding, affinity programs. Due to the nature of the re-sale industry, most all products that need to be purchased for the Store will be from various sources and you are responsible for identifying such sources. We will provide you with recommended procedures when identifying sources to purchase products during our initial training program.

Currently, except as provided below in this Item, we are not the only approved supplier for products, supplies and services that you are required to use for the operation of your Store. None of our officers owns an interests in any supplier. However, we are the only supplier of all promotional, marketing and company-branded materials. You must purchase all promotional, marketing and company-branded material, as well as, all updates for all promotional and marketing materials when designated as mandatory by us, from us. We As of the effective date of this Disclosure Document, all updates are optional, but we may in the future mandate that you purchase certain updates at your expense. We require this in order for you to sell products and offer services from our approved products list.

We are an approved supplier, but not the only approved supplier, of certain inventory for your Store. If we develop proprietary products or software in the future, you must purchase such items from our approved suppliers or us.

You must purchase the POS system we require from approved or designated suppliers. You must only use the merchant services processor we designate. You must only use the gift card processor and system we designate.

Unless you are professionally qualified to perform bookkeeping and accounting services, you must hire a qualified bookkeeper who will maintain your financial records related to your franchised business, who will meet with you as often as needed to help ensure accuracy of your financial records, and who can assist you with your annual financial statement requirements per the Franchise Agreement. You must hire a Certified Public Accountant or other qualified tax preparer who will prepare your annual tax returns related to your franchised business.

You are not permitted to sell any non-LEGO® branded products or LEGO® compatible products not approved by us, purchase items from an unapproved supplier or use the services of an unapproved vendor, unless you first submit a written request to us for approval. We base our specifications for products, supplies, vendor and supplier approvals on our discretionary determination of quality, accuracy of product claims, safety, value, prompt attention to complaints, frequency of delivery, appearance and contributions or other benefits to us and/or any marketing fund. We do not otherwise make our specific criteria for approving suppliers available to franchisees. We have the right to disapprove requests for alternate supply sources from you. We may require vendors and/or suppliers to provide certain information in addition to signing a nondisclosure agreement and agree to guarantee our level of quality and produce sufficient samples to allow us to test the sample at your expense. We may require you to submit to us sufficient specifications, photographs, drawings or other information and samples to determine whether the items meet our specifications. A list of approved vendors and suppliers from whom products, supplies and services may be purchased will be provided to you and may be amended by us periodically. There is a product and vendor assessment fee for supplier approval and we require third party testing, in which case you will pay the actual cost of the tests. We will approve or disapprove of your adequate request to approve a product, vendor and/or supplier within 30 days after we receive your request. If we approve, then you may contract with the

alternative supplier who meets our criteria. We may revoke approval in our sole discretion, including for failure to continue to meet our criteria, by providing written notice to you of such revocation.

We may become approved suppliers or the only approved supplier(s) for other products, supplies and services.

You must maintain an inventory of new and/or used LEGO® branded building bricks, mini figures and accessories in compliance with our specifications.

We will derive revenue from providing products and services directly to our franchisees. In 2020, we received such revenue in the amount of $54,479 (which was 9.67% of our total revenue of $567,328 as reflected in our most recent audited financial statements).

We receive rebates from our designated merchant processor based on franchisees' transactions. We receive 15% to 30% of the merchant processor's net revenue based on the total number of open and active merchant accounts in our franchise system. We also receive a one-time payment of $25 per activated merchant account. These payments do not increase the rate you pay to the designated merchant processor. Currently, neither we nor any affiliate(s) receive any other rebates, price adjustments, or discounts on products or services sold to you by recommended or approved suppliers. However, we reserve the right to do so in the future.

We have not yet established any purchasing or distribution cooperatives for the purchase of supplies. We may, in the future, negotiate purchase arrangements with suppliers for your benefit in the areas of cost and customer support.

It is estimated that all your initial expenditures from us, our affiliates or the vendors that we specify and/or approve that meet our standards and specifications will represent approximately 5% to 25% of your total initial purchases. It is anticipated that during the operation of your franchised business, required purchases from us, our affiliates or the vendors that we specify or approve (not including royalties or labor costs) are estimated to be approximately 5% to 10% of your total annual purchases of goods or services in the continuing operation of your Store (this depends on the size of your Store, amount of inventory your purchase and sales volume).

We do not provide material benefits (for example renewal or additional franchises) to you based solely on your use of designated or approved sources.

Insurance

Before you open a Bricks & Minifigs® for business, you must obtain the insurance coverage for the Store required by the Franchise Agreement. This currently includes, but is not limited to, comprehensive general liability insurance ($1,000,000 per occurrence and $2,000,000 aggregate); "All Risks" or "Special Form" coverage for the full cost of replacement of the business premises; business interruption insurance; and workers' compensation insurance as required by applicable law. The insurance coverage must be maintained during the term of the Franchise Agreement, and you must provide evidence of insurance to us that insurance has been obtained from a responsible carrier or carriers acceptable to us.

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	Disclosure document item
(a) Site selection and acquisition/lease	Section 4	Items 7, 11 and 12
(b) Pre-opening purchases/leases	Section 5	Item 7 and 8
(c) Site development and other pre-opening requirements	Sections 4, 5	Items 6, 7 and 11
(d) Initial and ongoing training	Section 5	Item 11
(e) Opening	Section 4	Item 11
(f) Fees	Sections 3 and 10	Items 5, 6 and 7
(g) Compliance with standards and policies (Operations Manual)	Sections 5 and 8	Item 8, 11 and 16
(h) Trademarks and proprietary information	Sections 6 and 9	Items 13 and 14
(i) Restrictions on products/services offered	Section 8	Items 8 and 16
(j) Warranty and customer service requirements	None	None
(k) Territory development	Section 4	Item 12
(l) On-going product/services purchases	Section 8.C	Item 8
(m) Maintenance, appearance and remodeling requirements	Sections 2.C and 8.E	Item 11
(n) Insurance	Section 8.H	Items 6, 7 and 8
(o) Advertising	Sections 10	Items 6, 7, and 11
(p) Indemnification	Section 16.B	Item 6
(q) Owner's participation/management/staffing	Sections 7	Items 11 and 15

Obligation	Section in agreement	Disclosure document item
(r) Records/reports	Section 11	Item 8 and 11
(s) Inspections/audits	Section 12	Item 6 and 11
(t) Transfer	Section 13	Item 6 and 17
(u) Renewal	Section 2.C	Item 6 and 17
(v) Post-termination Obligations	Section 15	Item 17
(w) Non-competition covenants	Section 9, 15.D	Item 17
(x) Dispute Resolution	Section 17	Item 17
(y) Other: Personal Guaranty	Exhibit C	Item 15

Item 10
FINANCING

We do not provide direct or indirect financing and do not assist in providing financing for you. We do not guarantee any notes or financial obligations.

Item 11
FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS & TRAINING

Except as listed below, BAM Franchising, Inc. is not required to provide you with any assistance.

Before you open your Business, we will:

(1) Not unreasonably withhold our acceptance of a site (the facility in which you plan to operate your Store) that meets our requirements. You select the site of your Store within the protected territory provided in the Franchise Agreement. We must accept the site if we feel at our total discretion that it meets or exceeds our standards, but our acceptance does not ensure that your Store will be profitable at the approved location. The factors that we consider in acceptance of the site include population density, traffic patterns, convenience, parking availability, neighborhood and physical characteristics of the premises such as size and layout. We evaluate each proposed site and accept, or do not accept, each one on a case-by-case basis (Franchise Agreement, Section 4).

(2) Approve the lease for the Store (Franchise Agreement, Section 4).

(3) Offer you guidance when applying for permits and notifying your state of your proposed Store (if applicable). It is your responsibility to comply with all laws, ordinances and regulations and you are responsible for obtaining all necessary approvals and permits to operate your Store (Franchise Agreement Section 4).

(4) Advise you of any mandatory specifications, architectural and design plans, floor plans and layouts to you for your Store. We may, if needed, review your architect's final plan. (Franchise Agreement, Section 4).

(5) Provide you with specifications for all computers, software, POS systems, cash registers, camera and security system, signage, furnishings and fixtures for your Store. (Franchise Agreement Sections 4, 8).

(6) Provide you with a list of our approved vendors and suppliers for products (including a list of pre-approved non-LEGO® branded and LEGO® compatible products), supplies, season specific merchandise, apparel, packaging materials, promotional, advertising and marketing materials in addition to other items you are authorized to sell or use. We will train you on strategies for purchasing products and will provide you with recommended procedures when identifying sources to purchase products for your Store. (Franchise Agreement Section 8).

(7) Offer certain training programs designed to assist you in the operation of your Franchise. We may require that you (or if you are a corporation, a limited liability company or partnership, then

its officer or shareholder, member or managing partner) complete supplemental and refresher training programs during the term of the Franchise Agreement (Franchise Agreement, Section 5).

(8) Provide an initial training program designed to assist you and your owners in the operation of your Franchise. (Franchise Agreement, Section 5).

(9) We will provide you with the specifications for programs we have developed for customers to sell and/or trade-in their LEGO® products and consignment services. We may advise you of operating problems of a Bricks & Minifigs™ store disclosed by reports submitted to us or inspections made by us. We may furnish to you such guidance and assistance in connection with the operation of your business, as we deem appropriate. Additional guidance and assistance may be made available to you at your written request and in our sole discretion at fees and charges established by us. (Franchise Agreement, Section 5).

(10) Loan to you during the term of the Franchise Agreement one copy of our confidential Pre-Opening and Operations Manuals, which may include one or more manuals and other written materials (collectively, the "Operations Manual") for the operation of a Bricks & Minifigs® store. (Franchise Agreement, Section 5). The table of contents of the Operations Manual as of our last fiscal year end consists of approximately 107 pages and is included with this Disclosure Document as Exhibit E.

(11) Approve or disapprove samples of all local advertising and promotional materials not prepared or previously approved by us which are submitted by you (Franchise Agreement, Section 10).

(12) Deliver to you a web page for your Franchise operations (Franchise Agreement, Section 10).

(13) Provide pre-opening/grand opening assistance to you and your staff at your location for your first Franchise as further described in this Item. (Franchise Agreement Section 4).

During your operation of the Business, we may:

(1) Provide additional on-site supervision and assistance as we deem necessary and in our discretion. (Franchise Agreement, Sections 4 and 5).

(2) Provide to you and your personnel, Bricks & Minifigs® Franchise continuing education meetings at locations designated by us. We expect these meetings to be at our headquarters with a fee not to exceed more than $300 per person per day plus our expenses which can vary from area to area to be determined at our sole discretion. We reserve the right to increase the per day fee a reasonable amount based on reasonable criteria (Franchise Agreement, Section 5).

(3) Establish a Franchise elected peer group whose main purpose is to mentor and support each other.

During your operation of the Business we will:

(1) Continue to consult with you at no additional charge regarding procedures, policies, sales, marketing, purchasing strategies, products and supplies, as well as provide assistance to you to

resolve operational problems that you may encounter outside the scope of the Operations Manual (Franchise Agreement, Section 5).

(2) Provide you with product, supply, vendor and supplier guidelines for you to sell and use in the operation of your Store. We will provide you with updated and current lists of approved non-LEGO® branded and LEGO® compatible products you are allowed to sell in your Store. (Franchise Agreement, Section 5).

(3) Provide you with suggested prices for products and services. We will continue to research new products and services for the System as we deem necessary. (Franchise Agreement 5).

(4) Review and approve or disapprove any product and/or vendor or supplier you wish to use in the operation of your Business. You are responsible for paying a product and vendor assessment fee (as described in Item 6).

(5) Provide answers to questions from you or your staff (during regular business hours, Pacific Time zone). You will be able to send us questions and suggestions using Internet email (Franchise Agreement, Section 5).

(6) Review and approve advertising and promotional materials in addition to any promotions, edits, changes or updates to your web page that you submit to us (Franchise Agreement, Section 10).

(7) We may require that you (or if you are a corporation, limited liability company, or partnership, a managing partner, managing member, member, or shareholder) complete supplemental and refresher training programs during the term of the Franchise Agreement (Franchise Agreement, Section 5).

Computer Systems

We will provide you with all update and upgrade requirements for your POS and computer systems, software in response to changes in the Operations Manual, or changes in our policies that are communicated to you in writing. You are required to purchase a POS system, computers, software, camera and security system to operate your Store. This hardware and software is used for communications, accounting, record keeping, and Store security. The cost of such systems ranges between $3,200 and $6,500 (See Item 7). If we develop proprietary software in the future, we will provide you with update and upgrade requirements; however, we are not obligated to provide any updates or upgrades to any third-party software programs your use in the operation of your Store. We are not obligated to provide maintenance or repairs to POS and computer system software or hardware that you use. We estimate that the annual cost of POS and computer system software and/or hardware upgrades will be approximately $800 to $1,600 per year. We reserve the right to have independent access to all information that you store in any POS and computer systems (Franchise Agreement Section 4).

Advertising Fund and Advisory Council

We reserve the right at our discretion to institute, maintain, and administer a National Marketing Fund (referred to as the "NMF" of "Fund") to support ongoing technology and new product development to be made available to franchisees, and such regional and national advertising as we, in our sole discretion, may deem appropriate to promote the Bricks & Minifigs® name to benefit all franchisees as described in Item 6.

While advertising materials may note that franchises are available from us, no System Advertising Fees are used for advertising that is principally a solicitation for the sale of franchises. We will direct all such programs and will have sole discretion over the creative concepts, materials, and endorsements and media used in such programs, and the placement or allocation of such programs. The source of the advertising will come from our in-house advertising department or may in the future from a national or local advertising agency. We reserve the right to determine in our sole discretion the composition of all geographic territories and market areas for the implementation and development of such programs. The advertising programs may be either national, regional, or local at our sole discretion. We are not obligated to spend a specific dollar amount on advertising in your territory (Franchise Agreement, Section 10).

(i.) You will pay us a flat $50 per calendar month for the NMF as designated in the Franchise Agreement. We may raise, discontinue or reduce the contribution, but your total contribution will not increase more than $15 per month in any calendar year for the term of the Agreement. Contributions are due by the tenth day of the month starting the first full calendar month of your Store operations, and then continue for the remaining term of your franchise (including any partial months).

(ii.) The contributions to the NMF will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for such reasonable salaries, administrative costs, travel expenses and overhead as we may incur in activities related to the administration of the NMF and its programs, including conducting evaluation of new technologies, products, product development, market research, preparing advertising, promotion and marketing materials, and collecting and accounting for contributions to the NMF. Usage of the Fund will include ongoing development of the national website and development of new products and supplies to be made available to Franchisees. The media in which advertisements may be disseminated include print ads, signs, billboards, radio and television and may be conducted on a regional or national basis. We may spend, on behalf of the Fund, in any fiscal year an amount greater or less than the aggregate contribution of all Bricks & Minifigs™ Franchises in that year, and the Fund may borrow from us or others to cover deficits (if we charge interest, it will not exceed the prime rate plus 2%); or invest any surplus for future use. Any System Advertising Fees not used in the fiscal year in which they were contributed will be applied and used for advertising and marketing expenses in the following year(s).

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Summary of National Marketing Fund Contributions and Expenses for Fiscal Year 2020

Expenses:	Administrative Expenses	$1,303	2%
	Production	$13,028	68%
	Media Placement	$48,640	77%
Total expenses:		**$62,971**	**100%**
Advertising fund contributions:		$20,250	
Excess of expenses over contributions:		$(42,721)	

The franchise spent all of the advertising funds collected. In addition, the franchise spent additional funds from their operational accounts (amounting to $9,083) to fund Media Placements for the benefit of all of the stores.

While advertising materials may note that franchises are available from us, no advertising fees or assessments we collect from our franchisees are used for advertising that is principally a solicitation for the sale of franchises.

(iii.) We have formed a Franchisee Advisory Council whose purposes include providing counsel and advice on the Fund usage and advertising policies. We retain all operational and decision making authority concerning advertising, and the Advisory Council will serve only in an advisory capacity. The Advisory Council will not be separately incorporated, and therefore, it will not have any written documents. Membership of the Advisory Council is determined by appointment by us. Notwithstanding the foregoing, we have the power to select and approve the members and to form, change, dissolve or merge the Advisory Council.

(iv.) Neither we nor any Franchisee Advisory Council undertake any obligation to ensure that expenditures by the Fund in or affecting any geographic area are proportionate or equivalent to contributions to the Fund by Franchisees operating in such geographic area or that you or your Store will benefit directly or in proportion to your contribution to the Fund. Neither the Fund nor we shall be liable to you with respect to the maintenance, direction, or administration of the Fund, including without limitation, with respect to contributions, expenditures, investments or borrowings, except for acts constituting willful misconduct. Bricks & Minifigs® businesses owned by us, or any of our shareholders or officers, are not required to contribute to the Fund.

(v.) We administer the fund, which is not audited. If contributions paid into the Fund are not spent in the fiscal year in which they accrue, we can use the remaining amounts for the same purposes in future years. All interest earned on monies contributed to the Fund may be used to pay advertising and technology development costs before other assets of the Fund are expended. Fund contributions are not used to sell additional franchises. We will prepare an annual un-audited statement of monies collected and costs incurred by the Fund and furnish it to you upon written request. All financial statements will be available 120 days after the end of our fiscal year. We reserve the right not to spend all of the funds in the NMF in any one year, and such funds may be accrued into the next year.

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(vi.) We expect to receive advertising and promotional allowances and fees from third party vendors and advertisers who enter into cooperative advertising programs with franchisees and us. For example, suppliers may pay promotional allowances for joint advertising promotional material. We may disclose the identity of vendors who pay the promotional allowances to you upon request. In addition, if we require you to buy items from a vendor who pays these allowances, we may place the funds in the NMF or spend it on related promotions. Our obligation to provide advertising and marketing will be limited in cost to the amount of contributions and promotional allowances from third parties actually paid into the Fund.

Regional Franchisee Marketing Cooperatives

We do not now, but may require you to join, participate in and pay into, one or more franchisee marketing cooperatives ("Regional Cooperative(s)") for your region, determined by the penetration area of local advertising media used (for example, the area of a regional newspaper's circulation). Because we have not yet formed any Regional Cooperatives, we do not know how the area or the membership of any Regional Cooperatives will be determined. Because we have not formed any Regional Cooperatives, we have not determined whether or not any of our Company owned outlets will be required to contribute to any advertising spent by any Regional Cooperative. In the event that we choose to establish a Regional Cooperative , we will be responsible for administering it. If we do create any Regional Cooperatives, we may require that it be operated in accordance with bylaws (or an operating agreement if it is a limited liability company). If we do create any Regional Cooperatives, we may require the Regional Cooperatives to prepare annual financial statements for review by its members. We will have the right to form, dissolve, and merge any specific Regional Cooperative. Even though we have not yet formed any Regional Cooperatives, we may require that all franchisees within close proximity to a consumer show, convention or exhibition where products are being sold participate in the cost and benefit of the show.

Local Advertising

You must spend a minimum of 4% of your monthly Revenues each calendar month on local advertising and promotion for your Business, in addition to the flat $50 per calendar month NMF contribution you pay to us. You will also spend at least $5,000 on "grand opening" promotion in conjunction with the opening of your Store and as we may specify in our Operations Manual. You must report your quarterly advertising expenditures to us by the 10th day after the end of each quarter, or at times, on forms, and in a manner we determine.

You will not use any independent advertising or sales promotion programs in any media (including electronic) without our prior review and written approval. We will approve the materials you submit to us within thirty days, if we do not respond within such period all such materials will be deemed automatically disapproved. You will make reasonable efforts to participate in and cooperate with all advertising programs selected by us or by any approved group of franchisees, except that you may not need to follow or maintain any sales price or suggested pricing. You are responsible for any expenses of this independent advertising.

Unless we approve otherwise in writing, you may not establish a separate Website and will only have one web page, as we designate and approve, within our Website. The term "Website" includes: Internet and World Wide Web home pages, as well as other electronic sites (such as social networking sites like Facebook, Twitter, LinkedIn, blogs and other applications). You must comply with our requirements regarding selling, advertising, discussing or disseminating any information, or otherwise having a presence on a Website, regarding the Business. If we approve a separate Website for you (which we are not obligated to do), we will

provide you with guidelines for establishing and maintaining such Websites and each of the following provisions will apply: (i) you may neither establish nor use any Website without our prior written approval; (ii) before establishing any Website, you must submit to us, for our prior written approval, a sample of the proposed Website, including its domain name, format, visible content (including, without limitation, proposed screen shots), and non-visible content (including meta-tags), in the form and manner we may require and all such work (except for social networking sites) must be performed by us, our affiliates or approved vendors (as described in Item 8); (iii) you must not use or modify a Website (except for social networking sites) without our prior written approval; (iv) you must comply with the standards and specifications for Websites that we may periodically prescribe in the Operations Manual or otherwise in writing; and (v) if we require, you must establish hyperlinks to our website and other Websites.

You must prominently display a banner that promotes the franchise opportunity on your retail sales floor as we dictate.

Time to Commence Operations

We estimate that there will be an interval of 180 days between the signing of the Franchise Agreement and the opening of your Bricks & Minifigs™ store. Factors that may affect this length of time include obtaining and preparing a location that is approved by us for your Bricks & Minifigs™ Franchise, completion of your pre-market entry study to determine any customization of products and services to be offered through your Franchise, satisfactory completion of our initial training program by you (or your managing partners, members or shareholders) and availability of products and supplies.

You must open your Store within 180 days of signing the Franchise Agreement unless we otherwise approve in writing. We will only grant such approval on occasions with extenuating circumstances such as significant and unusual delays beyond your reasonable control at our sole discretion. If you fail to open on time, then we may terminate your Franchise Agreement.

Before opening, you must acquire or lease, at your expense, commercial real estate that is properly zoned for the use of your Bricks & Minifigs™ store under the Franchise Agreement. You must submit to us, in the form we specify, a copy of the location plan and other such information or materials we may require, together with an option contract, letter of intent, or other evidence of satisfactory to us which confirms your favorable prospects for obtaining the location. We will have 30 days following receipt of this information and materials from you to approve or disapprove the proposed location of your Bricks & Minifigs™ Franchise. If we do not approve a proposed location by written notice to you within this 30-day period, the site will be deemed disapproved.

Initial Training Program

Before the opening of your Franchise, you must attend the up to 5-day franchise training program for a Bricks & Minifigs® at our corporate headquarters (currently in Orem, Utah). We maintain a regular calendar for the training program and the trainings are held approximately six to eight times per year (or more frequently if needed). You must begin the initial training program within 45 days of signing the Franchise Agreement. The training program is included in your Initial Franchise Fee. You are responsible for all costs associated with attending the program such as travel, room and board.

You must complete the Training Program to our satisfaction. If, during the Training Program we determine,

in our sole discretion, that you (or your managing partner or shareholder) is not qualified to manage a Bricks & Minifigs® Franchise, we have the right to terminate the Franchise Agreement and we will refund the Initial Franchise Fee, minus our demonstrated expenses, without interest.

We will provide training for you as noted in the following training schedule, which is subject to change. This training curriculum is fully detailed in the Bricks & Minifigs® Operations Manual and will change periodically. Our training team will include directors from our staff from the Bricks & Minifigs® corporate headquarters, members of our website development team, members from our approved suppliers and service providers.

Training Schedule: At Corporate Offices

The Bricks & Minifigs™ Franchise Training Program includes an Operations Manual, classroom training, on the job training and demos.

TRAINING PROGRAM

Subject	**Classroom Hours**	**On-The-Job Training Hours**	**Location**
The Bricks & Minifigs® System and Introduction	1 Hour		Corporate headquarters currently in Orem, Utah or as we otherwise specify
LEGO® Products, Play Sets, Accessories and Specifications	1 Hour	3 Hours	
Product Presentation and Merchandising	1 Hour	3 Hours	
Daily Store Operations, Checklists and How to Run the Store Efficiently		8 Hours	
Strategies for Purchasing LEGO® Play Sets, Supplies and Inventory	5 Hours	5 Hours	
Pricing Guidelines	1 Hour	3 Hours	
Tracking Your Inventory	1 Hour	1 Hour	
Programs to Buy and Trade from Customers	2 Hours	2 Hours	
Party Planning and Performing Offsite Events	1 Hour		
Safety, OSHA Requirements and Quality Control	1 Hour		
Counter Operations, POS System and Software Training*		2 Hours	
Customer Service and Handling Complaints		2 Hours	

Subject	Classroom Hours	On-The-Job Training Hours	Location
Marketing and Advertising Your Business	2 Hours		
Staffing and Labor Costs	1 Hour		
Financial and Accounting Procedures	2 Hours		

*Additional software training programs may be provided to you online after initial training above is completed.

Our training supervisor is Matthew Thomas. Mr. Thomas has been our Operations Manager since 2018. His experience in the subjects he teaches and supervises at training is based on his management of the Bricks and Minifigs operation in Canby, Oregon from 2013 through 2018.

Occasionally, different guest speakers may make an appearance at the training program to provide information about various products, services and programs offered by us. For example, some speakers may be our employees, Franchisees or industry experts.

Pre-Opening/Grand Opening Assistance

We will provide up to three days of pre-opening/grand opening assistance to you and your staff at your location. We will endeavor to complete such assistance within thirty (30) days after the Store opens for business and after the initial five (5)-day training has been completed to our satisfaction. Our costs associated with the pre-opening/grand opening supervision and assistance are incurred by us for your first Franchise. We will not provide this supervision and assistance at our expense for your second or subsequent Franchise. Additional support requested by you will be subject to our then-current fees for training. (Franchise Agreement 20.1).

Additional Training and Conventions

We May Require Additional Training. We may reasonably require you and your Owners (and any new or replacement Owners) to receive or attend and complete to our satisfaction additional or advanced training from time to time. We may require you to pay for such training at our reasonable then-current training fees. You must also pay travel, food, and accommodations and all other related expenses. We will attempt to use distance learning techniques, where possible, to minimize these costs. (Franchise Agreement 20.1).

Additional Training Upon Your Request. Depending on availability, we may provide additional training to you and your Owners upon your request. We may require you to pay for such training at our reasonable then-current training fees. You must also pay travel, food, and accommodations and all other related expenses. (Franchise Agreement 20.1).

Continuing Education. We may provide continuing education sessions at locations we designate (typically at our headquarters). Continuing education sessions may have a registration charge to you (currently up to $300 per person per day) plus our expenses to be determined by us at our reasonable discretion. You are responsible

for costs associated with you attending the meetings such as travel, room and board. The programs will normally not exceed a full day. The content may cover various aspects of franchise business operations. We may conduct an annual convention at such place as we designate for all franchisees (typically at our headquarters). We may require each participant to pay a registration fee, and you will be responsible for all costs associated with attending the convention such as travel, room and board. The registration fee for conferences will not exceed $500 per person. We may increase the training and registration fees referenced above in reasonable amounts based on reasonable criteria. (Franchise Agreement 20.1).

Item 12
TERRITORY

You must operate your single Bricks & Minifigs® store within the specific Store location identified in your Franchise Agreement. You are awarded a protected territory ("Territory"). We have pre-determined territories based on population and mileage. You will select, and we will approve, your Territory before you sign the Franchise Agreement. It will be specifically identified in an attachment to your Franchise Agreement before you sign it.

If you have not yet selected an approved location for your Store upon signing the Franchise Agreement, then you must select a location, subject to our approval, within the Territory.

Off-Site Activities

You may not conduct business out of any other site (facility where you will operate your Store) other than the accepted site that has been entered in your Franchise Agreement or made part of by an addendum attached to your Franchise Agreement. However, you may conduct business at off-site events (carnivals, festivals, outdoor markets, etc.) to sell products or provide services as long as such events are within your Territory. After providing notice to us and obtaining our approval, you may conduct business at off-site events in any other geographical area however you cannot perform Target Marketing outside your Territory, as described below. We shall approve or deny your request, which approval is in our sole discretion, within five days of receipt of your written request to conduct business at off-site events in other geographical areas (outside your Territory) that do not encompass the protected territory of one or more of our other franchisees. If we approve your request to conduct business at off-site events in another geographical area, you must be prepared to immediately lose any customer business you have established when that area is purchased and immediately refrain from conducting business at such off-site events. You may sell and ship products to customers located outside your Territory so long as your sales do not result from any Target Marketing activities by you and so long as the products you sell and ship and services you provide are being sold, shipped and performed from your Store within your Territory.

If you are asked to conduct business at off-site events in geographical areas that encompass the protected territory of one or more of our franchisees, then you must refer that request to the Bricks & Minifigs® store in that geographical area or directly to us.

Lego® is a registered trademark of the LEGO Group of companies which does not sponsor, authorize or endorse the Bricks & Minifigs® franchise

Relocating

Any relocation of the site for your Store: (1) shall be to a location within the Territory (unless waived by us), (2) requires our prior written consent, which we may grant, condition or withhold in our business judgment (and may be withheld, in any case, if you are in default under your Franchise Agreement), (3) will be at your sole expense and (4) will require that you (and each owner if you operate through a legal entity) sign a general release in a form we prescribe.

Designating Your Territory

While the Franchise Agreement is in force and you are not in default of any material provisions of the Franchise Agreement, we will not establish or license to others the right to establish a Bricks & Minifigs® bricks and mortar outlet (franchised or company-owned) within your Territory. However, we reserve certain rights with respect to your Territory as described below in this Item. Also, franchisees may service customers who are located in your Territory, subject to prohibitions in franchisees' Franchise Agreements (such as prohibitions against engaging in Target Marketing as described below in this Item).

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

Your Territory is determined by population, business potential, traffic patterns, proximity to major roads, demographics of the surrounding area, available parking, market penetration or other conditions important to the successful operation of a Bricks & Minifigs® business, as we deem appropriate and as identified in your Franchise Agreement. Your Territory is determined by us once a location is chosen, and will not be altered even if there is a population increase or decrease. It will also not be affected by your sales volume, or market penetration. Certain locations, such as major metropolitan areas may have smaller geographic territories of densely populated areas. We must accept the location for your Bricks & Minifigs® store within your Territory in writing before you open for business.

Additional Franchises

You must submit a separate application for each franchised business to be established by you. You must pay the fee for each additional acquisition mentioned in Item 5 and must be in compliance with all of the terms and conditions of the Franchise Agreement. We must approve the location of any additional Bricks & Minifigs® stores.

Soliciting Business

The territory described will affect where you and other franchisees may solicit business. You are prohibited from soliciting and marketing in general to customers by any means outside your Territory and must not specifically engage in target marketing ("Target Marketing") of customers within the protected territory of another Bricks & Minifigs® Franchise (and/or company/affiliate owned business or franchise). Target Marketing means a concerted effort by a franchisee to solicit and obtain customers through any type of advertisement or marketing, directed at all or any portion of another franchisee's protected territory (or the territory of a company-owned or affiliate-owned outlet). We will use commercially reasonable efforts to enforce this requirement regarding Target Marketing if you or any other franchisee violates it.

Alternative Channels of Distribution

We may allow you and other franchisees or company-owned stores to sell through an alternative

channel of distribution (such as Websites). If you are granted permission to sell products through an alternative channel of distribution, per our written approval, you may sell products to a customer outside your Territory without compensation to the other franchisee or company-owned store. Our response to your request will be made within 30 days after we receive it, otherwise the request will be deemed disapproved. Approval may be revoked in our sole discretion. We, other franchisees and company-owned stores reserve the same right to sell and ship products and provide services to customers who may live within your Territory without compensation to you.

National Accounts

We have the exclusive right to negotiate and enter into agreements or approve forms of agreements to sell products and provide services to any business or organization which owns, manages, controls or otherwise has responsibility for locations in more than one area whose presence is not confined with any one particular franchisee's territory regardless of the contract amount of products to be provided or services to be performed (a "National Account"). After we sign a contract with a National Account, we may, at our option, provide you the option to provide products or perform services to businesses under the National Account contract. If we choose, or if you choose not to provide products or services to the National Account, we may provide the products and services directly ourselves, or through another franchisee or third party even if the products provided and services performed are within your Territory without compensation to you.

Rights We Reserve

We expressly reserve all other rights including the rights to:

(1) Advertise, market and sell Bricks & Minifigs® branded and trademarked products in your Territory;
(2) To advertise the products and services to promote the System through the Internet, World Wide Web and/or other similar venues no matter where the customer is based to fulfill customer orders in your Territory;
(3) Offer, sell or distribute anywhere (including with your Territory) products or services to consumers located anywhere through any alternative or other channels of distribution, such as the toy stores or other retail stores, Internet, catalog sales, and telemarketing, other than local facilities providing products and services under the Marks (defined in Item 13) and System (defined in Item 1). We have this right whether or not we are using the Marks or System, or other marks and systems, and on any terms and conditions we deem appropriate;
(4) Develop and distribute proprietary products that have been branded with our Mark or logo or different branded products through any outlet (other than a Bricks and Minifigs retail store similar to your Store) located anywhere regardless of its proximity to your Store (including, by way of illustration, toy stores or other retail stores, catalog sales or over the Internet and/or electronic media and similar venues) and on any terms and conditions we deem appropriate. If we decide to develop and distribute products, you will receive no compensation from us for such sales inside your Territory unless agreed otherwise in writing by us;
(5) Implement advertising cooperative programs which may allow us or others to solicit or sell to customers anywhere. We also reserve the right to issue mandatory policies to coordinate such advertising cooperative programs;
(6) Own and/or operate ourselves or authorize others to own and/or operate (a) any business located outside the Territory as designated on your Franchise Agreement, whether or not using the Marks

and/or System, (b) any business anywhere, whether using the Marks and /or System or not, which is not substantially similar to the business franchised to you under the Franchise Agreement and/or (c) any business anywhere which does not use the Marks; and

(7) Acquire, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not), with Stores located anywhere, including arrangements in which we are acquired, and/or company-owned, franchised or other businesses (including your Bricks & Minifigs® business) are converted to another format, maintained under the System or otherwise. Each Bricks & Minifigs® business awarded to you will fully participate in any conversion subject to any person/entity merging with, or acquiring us, reimbursing you for reasonable costs directly related to the conversion.

We are not responsible for paying any compensation to you concerning the sale of our products or services by use over the Internet, World Wide Web, other similar venues, by alternative means of distribution, advertising cooperative programs, outlets, businesses that are or are not substantially similar to the franchised business or any business that does not use the Marks.

We have not established, and do not presently intend to establish, other Franchises or company-owned Businesses, except as disclosed in Item 1 of this Franchise Disclosure Document, selling similar products or services under a trade name or trademark different from Bricks & Minifigs® Marks.

Item 13
TRADEMARKS

Under the Franchise Agreement, we grant you the nonexclusive right to use the Marks in connection with the operation of your Franchise. Our primary trademark is "Bricks & Minifigs®, along with the design, as it appears on the first pages of this disclosure. We have the right to use and to license others to use the Marks and under any other trade name, trademarks, service marks, taglines and logos currently used or that may hereafter be used in the operation of the Store. You must use the Marks only for the operation of your Franchise and in the manner authorized by us.

We have registrations for the following marks on the principal register of the United States Patent and Trademark Office ("USPTO"):

Description of Mark	Principal or Supplemental Register	Registration Number	Registration Date
"Bricks & Minifigs Rebuild, Reuse, Reimagine!" (mark with design)	Principal	4,370,630	July 23, 2013
"Bricks & Minifigs" (standard characters)	Supplemental	4,255,472	December 4, 2012

Description of Mark	Principal or Supplemental Register	Registration Number	Registration Date
"Bricks & Minifigs Rebuild, Reuse, Reimagine!" (mark with design)	Principal	4,461,171	January 7, 2014
"Bricks & Minifigs Rebuild, Reuse, Reimagine!" (standard characters)	Principal	4,461,172	January 7, 2014

We have filed all required affidavits in respect to registrations of our marks with the USPTO. We have not yet filed renewals for such registrations because they are not yet due for renewal. We plan to submit renewals as they come due.

We do not have a federal registration on the principal register for our "Bricks & Minifigs" standard character mark. Registration for this mark is on the supplemental register. Therefore, this trademark does not have many legal benefits and rights as a federally-registered mark on the principal register. If your right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses. If our right to use the trademark is challenged by the Lego Group of companies, you may have to change to an alternative trademark, which may increase your expenses.

We also claim common law rights in our trademarks based on our prior use.

There are no presently effective determinations of the United States Patent and Trademark Office, Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor any pending interference, opposition or cancellation proceeding or material litigation involving the Marks.

By "trademarks" and "Marks" we mean trade names, trademarks, service marks, logos, and commercial symbols used to identify the business and certain foreign marks. We believe that there are no agreements currently in effect that significantly limit our rights to use or license others to use the trademarks and service marks listed in this Item 13 in any manner material to the franchise.

You must notify us immediately in writing of any apparent infringement of or challenge to your use of any Mark, or claim by any person of any rights in any Mark or any similar trade name, trademark or service mark of which you become aware. We have the sole discretion to take such action, as we deem appropriate and the right to exclusively control any litigation, USPTO proceeding or other administrative proceeding.

We are not obligated by the Franchise Agreement to protect any rights granted to you to use the Marks or participate in your defense, protect you against claims of infringement or unfair competition with respect to them. Although we are not contractually obligated to protect the Marks or your right to use them, as a matter of corporate policy, we intend to defend the Marks vigorously.

You may not, without our written consent, in our sole discretion, commence or prosecute, or seek leave to intervene in, any litigation or other proceeding, including any arbitration proceeding, in which you purport to enforce any right or recover any element of damage arising from the use or infringement of any of the Marks or unfair competition.

If it becomes advisable at any time, in our sole discretion, to modify or discontinue use of any Mark, and/or use one or more additional or substitute trademarks or service marks, you must comply with our directions with respect to a reasonable time after notice by us. You, in connection with the use of a new or modified Mark, may be required, at your own expense, to remove existing signage from your Store, and to purchase and install new signage. We have no liability to you.

There are no infringing uses actually known to us at the time of this agreement that could materially affect your use of the Marks in any state. There may be other businesses using trademarks, trade names or other symbols similar to our Marks with superior rights to our rights without our knowledge. Before starting business, you should research this possibility, using telephone directories, trade directories, Internet directories, or otherwise in order to avoid the possibility of having to change your business name.

You are reselling products and services that contain the Lego trademark/trademarks. We have not obtained any license from The Lego Group of companies to use the Lego trademarks. Therefore, you may not make use of The Lego Group's trademarks in any advertising, marketing, and promotional materials.

You must follow our rules when you use the Marks. You may not use the Marks in any manner we have not authorized in writing. You may not use or give others permission to use the Marks, or any colorable imitation of them, combined with any other words or phrases.

Item 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We have or will affix a statutory notice of copyright to our Operations Manual, to certain of our advertising materials, training materials, websites, proprietary software, and to all modifications and additions to them. There are no determinations, agreements, infringements or obligations currently affecting these notices or copyrights. You are granted the right and are required to use the copyrighted items only with your operation of the franchise during the term of your Franchise Agreement.

Although we have not filed applications for copyright registration, all copyrighted materials are our property. You are only permitted to use our copyrighted materials, proprietary processes and systems in accordance with the Franchise Agreement and only as long as you are a franchisee. You must contact us immediately if you learn of any unauthorized use of our proprietary information. You must also agree to not contest our rights to, and interest in, our copyrights and other proprietary information.

We do not know of any prior rights or infringing uses that could materially affect your use of our copyrighted materials. You must notify us immediately after receiving notice of any claim, demand or cause of action pertaining to the copyrighted materials or on learning that any third party uses the copyrighted materials without authorization. After receipt of timely notice of an action, claim or demand against you relating to the copyrighted materials, we have the right, but not the obligation, to defend or settle any such action. The Franchise Agreement does not obligate us to take affirmative action when notified of infringement. We have the right to contest or bring action against any third party regarding the third party's unauthorized use of any of the copyrighted materials. We have the right to control all actions but are not obligated to take any action. You may not make any demand against any alleged infringer, prosecute any claim or settle or compromise any claim by a third party without our prior written consent. In any defense or prosecution of any litigation relating to the copyrighted materials undertaken by us, you must cooperate with us, execute any and all documents, and take all actions as may be desirable or necessary in the opinion of our counsel, to carry out such defense or prosecution.

We may change or discontinue any part of the copyrighted materials at any time at our sole discretion. You will modify or discontinue use of any copyrighted materials, or will use one or more substitute copyrighted materials, if we so direct in writing at any time. You will bear all costs and expenses that may be reasonably necessary because of these changes or modifications. Under no circumstances will we be liable to you for any damages, costs, losses, rights, or detriments related to any modification, discontinuance, or substitution. All obligations or requirements imposed upon you relating to the copyrighted materials will apply with equal force to any modified or substituted copyrighted materials.

We have no patents material to your franchise.

We claim proprietary rights to certain confidential information and trade secrets related to our business processes and supplier relationships that you will learn during training and our franchise relationship. We consider such processes and modifications to be our trade secrets.

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

You are required to retain a manager ("Store Manager") for the operation and management of your Bricks & Minifigs® store. The Store Manager may, but need not, be you or one of the managing partners, managing members, members, or shareholders of the Business. The Store Manager need not have any set percentage of the equity of the franchised business. These individuals must also be trained by you in compliance with standards and specifications in our Operations Manual (Franchise Agreement Section 7).

You (or your managing partner, managing member, member, shareholder or non-owner manager) must use his or her best efforts in the operation of the Bricks & Minifigs® store.

Each of your owners must sign the Franchise Agreement directly or sign the Personal Guaranty attached as Schedule 5 of the Franchise Agreement. Each of your officers, agents, directors, shareholders, trustees, beneficiaries, partners, and independent contractors who may obtain or who are likely to obtain knowledge concerning our Confidential Information must sign the Confidentiality and Non-Compete Agreement attached as Schedule 8 of the Franchise Agreement.

If you are a corporation, limited liability company, or partnership, each shareholder, member, or partner must personally guarantee your obligations under the Franchise Agreement, and also agree to be personally bound by, and personally liable for the breach of, every provision of the Franchise Agreement, agree to be bound by the confidentiality provisions and noncompetition provisions of the Franchise Agreement and agree to certain restrictions on their ownership interests. The required Guaranty of Obligations is attached as Schedule 5 of the Franchise Agreement.

Item 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We require that you use, offer and sell only those products and services that we approve in writing. You must offer all products and services that we designate as required by our franchisees. We reserve the right, without limitation, to modify, delete and add to the authorized products and services.

Item 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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.

"FA" refers to the Franchise Agreement.

THE FRANCHISE RELATIONSHIP

Provision	Section in franchise or other agreement	Summary
a. Term of the Franchise Agreement.	FA Section 2.B	The initial term of the Franchise Agreement is equal to the initial term of your Accepted Location lease (but not less than 5 years or more than 7 years). The initial term is 5 years if you own the Accepted Location.
b. Renewal or extension of the term.	FA Section 2.C	If you meet certain requirements, then you may renew for successive periods. Each renewal term of the franchise will match the renewal term of your lease for the Accepted Location (but not less than 5 years or more than 7 years). Each renewal term is 5 years if you own the Accepted Location.
c. Requirements to renew	FA Section 2.C	Written notice from you no less than 6 months or more than 12 prior to expiration, full compliance, sign general release (subject to state law), sign then current form or new FA, and pay renewal fee. When renewing, you may be asked to sign a contract with materially different terms and conditions than your original contract.
d. Termination by you.	None	Not applicable
e. Termination by us without cause.	None	We cannot terminate your FA without cause.

Provision	**Section in franchise or other agreement**	**Summary**
f. Termination by us with cause.	FA -Section 14	We can terminate your FA if you breach a material provision of the FA or fail to open the business or if you breach any other agreements with us.
g. "Cause" defined as which cannot be cured.	FA- Section 14.A	Bankruptcy and insolvency, abandonment, repeated default, misrepresentations, levy of execution, criminal conviction, noncompliance with laws, non-payment of fees, repeated under reporting of sales, disclosure of confidential information, and other defaults listed in the Franchise Agreement.
h. "Cause" defined; defaults which can be cured.	FA- Section 14.B	5 days for failure to pay amounts owed; 30 days for all other defaults.
i. Your obligations on termination / non-renewal.	FA- Section 15	Cease operating franchised business; cease use of confidential information and Marks; no adaption of confusingly similar Marks; deliver property containing the Marks; cancel assumed or similar name registrations; pay outstanding amounts and damages; transfer domain names and web sites; give us the rights to purchase your assets if we choose; deliver manuals; assign phone numbers; comply with covenants and see "r" below.
j. Assignment of contract by us.	FA- Section 13.A	No restriction on our right to assign.
k. "Transfer" by you-definition.	FA- Section 13.B	Includes transfer of the FA and business assets by you.
l. Our approval of transfer by you.	FA- Section 13.C	We have the right to approve all transfers by you.

Provision	**Section in franchise or other agreement**	**Summary**
m. Conditions of our approval of transfer.	FA- Section 13.C	Full compliance; transferee qualifies; transferee does not operate a business similar to a Bricks and Minifigs®; all amounts due are paid in full; completion of training by transferee; transfer fee paid; transferee agrees to be bound by all terms of FA; you sign and deliver other required documents including a release to our satisfaction (subject to state law); transferee executes an assumption agreement; transferee upgrades the Store to our then current standards; you remain liable for all obligations that you incur prior to the date of transfer; you obtain all necessary consent from your lenders and governmental authorities for the transfer; you obtain the landlord's approval of the transfer; and you do not compete with us or our franchisees.
n. Our right of first refusal to acquire your business.	FA- Section 13.F	We have the right to match any offers.
o. Our option to purchase your assets upon termination or non-renewal.	FA- Section 15.E	We may purchase equipment and furnishings at fair market value and inventory at your cost minus 10% restocking charge, or purchase franchise business for fair market value determined by appraisal if parties are unable to agree on value.
p. Your death or disability.	FA- Section 13.D	Franchise must be assigned to approved buyer within 6 months.
q. Non-competition covenants during the term of the Franchise.	FA- Section 9.B	Subject to state law, no disclosure of confidential information, diversion of business or customers, or involvement in any competitive business anywhere in the US other than existing business.

Provision	**Section in franchise or other agreement**	**Summary**
r. Non-competition covenants after the franchise is terminated or expires.	FA- Section 15.D	Subject to state law, no disclosure or use of confidential information, diversion of business or customers for two years after expiration or termination of the Franchise Agreement. Subject to state law, no interest in Competing Business for 3 years within 25 miles of any company owned outlet or other franchises; no interest in a Competing Business via online e-commerce or any similar medium anywhere in the world for 3 years.
s. Modification of the Agreement.	FA- Section 18.A	No modification except by written agreement.
t. Integration / merger clause.	FA- Section 18.I	Only the terms of the Franchise Agreement and Operations Manual are binding (subject to state law). Any other promises may not be enforceable. Nothing in the Franchise Agreement is intended to disclaim the representations we made in the franchise disclosure document that we delivered to you.
u. Dispute resolution by arbitration.	FA- Section 17	Arbitration and mediation in Utah County, State of Utah (subject to state law).
v. Choice of forum.	FA- Section 17	Litigation in Utah County State of Utah (subject to state law).
w. Choice of law.	FA – Section 18.E	State of Utah laws apply (unless prohibited by laws of state where Franchise is located).

Item 18
PUBLIC FIGURES

We currently do not use any public figure to promote our Franchise.

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.

The following tables are historical financial performance representations for our franchisee-owned and company-owned outlets that were in operation for the entire 2020 calendar year. Additional information is found in the notes following the tables.

Table No. 1
2020 Franchisee Performance Totals

2020	# of Franchise Units	Total Revenue	Avg. Revenue	Median Revenue
Total Qualifying Units	30	$9,323,067.94	$310,768.93	$280,286.17
# and % of Units that Attained or Surpassed the Stated Results			13 (43%)	15 (50%)

Table No. 2
2020 Franchisee Top, Middle, & Bottom Performance Totals

2020	# of Units	Total Revenue	Avg. Revenue	Median Revenue
Top 1/3	10	$4,532,040.26	$453,204.03	$433,659.98
# and % of Units that Attained or Surpassed the Stated Results			3 (30%)	5 (50%)
Middle 1/3	10	$2,917,616.60	$291,761.66	$280,286.17
# and % of Units that			4 (40%)	5 (50%)

Attained or Surpassed the Stated Results				
Bottom 1/3	10	$1,873,411.08	$187,341.08	$194,134.19
# and % of Units that Attained or Surpassed the Stated Results			7 (70%)	6 (60%)

Below is a breakdown of financial data of active corporate units from the 2020 fiscal year. The data included was taken from 2 corporate owned units that were in operation for the entire 2020 fiscal year.

Table No. 3
2020 Corporate Unit Performance Totals

2020	**# of Corporate Units**	**Total Revenue**	**Avg. Revenue**	**Median Revenue**
Total Qualifying Units	2	$522,746.85	$261,373.43	$261,373.43
# and % of Units that Attained or Surpassed the Stated Results			1 (50%)	1 (50%)

Below is a breakdown of the combined financial data of all active units from the 2020 fiscal year. The data included was taken from the 30 franchised units and the 2 corporate units, bringing the total to 32 units that were in operation for the entire 2020 fiscal year.

Table No. 4
2020 Combined All Unit Performance Totals

2020	**# of Units**	**Total Revenue**	**Avg. Revenue**	**Median Revenue**
Total Qualifying Units	32	$9,845,814.79	$307,681.71	$260,304.78
# and % of Units that Attained or Surpassed the Stated Results			14 (44%)	17 (53%)

Table No. 5
2020 Combined Units Top, Middle, & Bottom Performance Totals

2020	# of Units	Total Revenue	Avg. Revenue	Median Revenue
Top 1/3	11	$4,895,889.57	$445,080.87	$426,826.21
# and % of Units that Attained or Surpassed the Stated Results			4 (36%)	6 (55%)
Middle 1/3	10	$2,877,113.26	$287,711.33	$280,286.17
# and % of Units that Attained or Surpassed the Stated Results			5 (50%)	5 (50%)
Bottom 1/3	11	$2,072,811.96	$188,437.45	$195,392.46
# and % of Units that Attained or Surpassed the Stated Results			8 (73%)	6 (55%)

Notes:

1. As of December 31, 2020, there were 31 total franchisees in operation (30 in the United States and 1 in Canada) and 5 stores owned by us or an affiliate ("Company-Owned Stores"). As of December 31, 2020, 30 franchisees and 2 Company-Owned Stores had been in operation for at least 12 months and 1 franchisee and 3 Company-Owned Storeshad been in operation for less than 12 months. The numbers assigned to our franchisees in the tables have been randomly assigned; they are in no particular order.

2. In this Item 19, "Total Revenue" means gross revenue minus adjustments, discounts, credits, returns, and sales taxes.

3. These financial performance representations do not reflect any of the costs of sales, operating expenses or other costs or expenses that must be deducted from the gross sales revenue to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business. Franchisees or former franchisees, listed in the disclosure document, may be one source of this information.

4. **Some outlets have sold the amounts disclosed in this financial performance representation. Your individual results may differ. There is no assurance you'll sell as much.**

5. Written substantiation for this financial performance representation is available to you upon reasonable written request.

6. Our contact information for purposes of this Item follows: Ammon McNeff, President, BAM Franchising, Inc., 225 West 520 North, Orem, Utah 84057, (888) 534-6776.

7. We recommend that you make your own independent investigation to determine whether or not the franchise may be profitable and consult with professional advisors before signing the Franchise Agreement.

Item 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For Years 2018 to 2020

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised*	2018	34	38	+4
	2019	38	37	-1
	2020	37	38	+1
Company-Owned**	2018	1	2	+1
	2019	2	2	0
	2020	2	5	+3
Total Outlets	**2018**	**35**	**40**	**+5**
	2019	**40**	**39**	**-1**
	2020	**39**	**38**	**-1**

* This includes the unit franchise owned and operated by our subfranchisor in Labrador, Canada.
** These "company-owned" outlets are owned and operated by entities in which one or more of our officers owns an interest.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than Franchisor)
For Years 2018 to 2020

Column 1 State	Column 2 Year	Column 3 Number of Transfers
California	2018	1
	2019	0
	2020	0
New Mexico	2018	0
	2019	1
	2020	0
Tennessee	2018	0
	2019	1
	2020	0
Washington	2018	0
	2019	0
	2020	0
Totals	**2018**	**1**
	2019	**2**
	2020	**0**

Table No. 3
Status of Franchise Outlets
For Years 2018 to 2020

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations – Other Reasons	Column 9 Outlets at End of the Year
Arizona	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	1	0	0	0	0	2
California	2018	1	2	0	0	0	0	3
	2019	3	0	0	0	0	0	3
	2020	3	1	0	0	0	0	4
Colorado	2018	1	1	0	0	0	0	2
	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
Connecticut	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	1	1	0	1
Florida	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	1	1	0	1	0	2
Georgia	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	1	0
	2020	0	0	0	0	0	0	0
Illinois	2018	0	2	0	0	0	0	2
	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
Indiana	2018	1	0	1	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
Kentucky	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
Massachusetts	2018	0	1	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	1	0
Michigan	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
Montana	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
Nebraska	2018	1	0	0	0	0	0	1

	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations – Other Reasons	Column 9 Outlets at End of the Year
Nevada	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	1	0
	2020	0	0	0	0	0	0	0
New Mexico	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
Oregon	2018	5	0	0	0	0	0	5
	2019	5	0	0	0	0	0	5
	2020	5	0	0	0	0	0	5
Tennessee	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
Texas	2018	7	0	0	0	0	0	7
	2019	7	1	0	0	0	0	8
	2020	8	0	0	0	0	2	6
Utah	2018	2	1	0	0	1*	0	3
	2019	3	0	0	0	0	0	3
	2020	3	0	0	0	0	0	3
Washington	2018	4	0	0	0	0	1	3
	2019	3	0	0	0	0	0	3
	2020	3	0	2	0	1	0	2
Wisconsin	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
St. Johns, Labrador, Canada	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
Total	**2018**	**34**	**7**	**1**	**0**	**1**	**1**	**38**
	2019	**38**	**1**	**0**	**0**	**0**	**2**	**37**
	2020	**38**	**3**	**3**	**1**	**3**	**3**	**37**

* This store became a Company-Owned Store during 2018 when two of the owners of the entity that operates this outlet, Ammon and Matthew McNeff, became officers of BAM Franchising, Inc.

Table No. 4
Status of Company-Owned Outlets
For Years 2018 to 2020

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisees	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisees	Column 8 Outlets at End of Year
Connecticut	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	1	0	0	0
Florida	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	1	0	0	0
Idaho	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1
Utah	2018	0	1*	0	0	0	1
	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1
Washington	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	1	0	0	0
Total	**2018**	**1**	**1**	**0**	**0**	**0**	**2**
	2019	**2**	**0**	**0**	**0**	**0**	**2**
	2020	**2**	**0**	**3**	**0**	**0**	**5**

* This store became a Company-Owned Store during 2018 when two of the owners of the entity that operates this outlet, Ammon and Matthew McNeff, became officers of BAM Franchising, Inc.

Lego® is a registered trademark of the LEGO Group of companies which does not sponsor, authorize or endorse the Bricks & Minifigs® franchise

Table No. 5
Projected Openings as of December 31, 2020

Column 1 State	Column 2 Franchise Agreements Signed but Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Current Fiscal Year
Alabama	0	0	1
Arizona	0	2	0
California	1	2	1
Florida	1	2	0
Georgia	0	1	0
New York	0	0	1
Nevada	0	1	0
Ohio	0	0	1
Virginia	0	1	0
TOTALS	**2**	**9**	**4**

A list of the names of all Franchisees and the addresses and telephone numbers of their Bricks & Minifigs® business are listed as Exhibit F to this Disclosure Document.

A list of the name and last known home address and telephone number of every Franchisee who has had their franchise terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during our most recently concluded fiscal year or who has not communicated with us within 10 weeks of our application date is attached as Exhibit G.

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

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with our franchise system. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you. For example, some former franchisees have signed mutual termination and release agreements that prohibit the former franchisees from disparaging us.

The following is a list, to the extent known to us, of the names, addresses, telephone numbers, email addresses, and Web address of each trademark-specific franchisee organization associated with the franchise system being offered which we have created, sponsored, or endorsed:

Brick & Minifigs Franchisee Advisory Council
Created by BAM FRANCHISING, INC. (Franchisor)
Contact: Ammon McNeff, Franchisor's President
225 West 520 North, Orem, Utah 84057
www.BricksandMinifigs.com
Franchise@BricksandMinifigs.com

There are no independent franchisee organizations that have asked to be included in this disclosure document.

Item 21
FINANCIAL STATEMENTS

Our audited financial statements as of December 31, 2018, 2019 and 2020 are attached to this Disclosure Document as Exhibit H. Also attached are our unaudited financial statements as of March 31, 2021. Our fiscal year end is December 31.

Item 22
CONTRACTS

The following agreements are attached as exhibits to this Disclosure Document:

Franchise Agreement - Exhibit A

Schedule 1: Accepted Location and Territory

Schedule 2: Pre-Existing Businesses

Schedule 3: Executive Order 13224

Schedule 4: ADA & Related Certifications

Schedule 5: Personal Guaranty

Schedule 6: Addendum to Lease Agreement

Schedule 7: Statement of Ownership Interests and Principals

Schedule 8: Confidentiality and Non-Compete Agreement

Schedule 9: [Deleted]

Schedule 10: SBA Addendum to Franchise Agreement

Disclosure Acknowledgment and Agreement - Exhibit C

State Addenda - Exhibit D

Form of General Release – Exhibit I

Item 23
RECEIPTS

Attached to this Disclosure Document are two Receipt pages (Exhibit J). They are duplicates that evidence your receipt of this Disclosure Document – the first is to be retained by you, the other by us.

Lego® is a registered trademark of the LEGO Group of companies which does not sponsor, authorize or endorse the Bricks & Minifigs® franchise

EXHIBIT A

FRANCHISE AGREEMENT

Franchise Agreement

BAM Franchising, Inc.
225 West 520 North
Orem, UT 84057
Phone: (888) 534-6722

www.bricksandminifigs.com

BAM Franchising Franchise Agreement

_____
Franchisee

_____
Location

_____
Date of Agreement

1. Introduction 4
A. BRICKS & MINIFIGS ®. 4
B. Your Acknowledgements 4
C. Your Representations. 4

2. Grant of Rights and territory. 5
A. Grant of Franchise. 5
B. Initial Term. 7
C. Renewal. 7
D. Our Reservation of Rights. 8

3. Franchise Fees 9
A. Initial Franchise Fee 9
B. Royalty Fees. 9
C. Product and Vendor Assessment Fee 10
D. Interest and Late Fees. 10
E. Application of Payments. 10

4. Development and Opening of the Store. 11
A. Site Selection. 11
B. Acquisition or Lease of Accepted Location 12
C. Development of the Store. 13
D. Furnishings, Fixtures, Equipment and Signs. 14
E. Store Opening. 15

5. Training and Guidance. 15
A. Initial Training. 15
B. Pre-opening training 15
C. Additional training, assistance, and conventions 16
D. Hiring and Training of Employees by Franchisee. 16
E. Operations Manual and pre-opening manual. 16

6. The Marks. 17
A. Ownership and Goodwill of the Marks and Trade Secrets. 17
B. Limitations on Franchisee's use of the Marks. 17
C. Notification of Infringement and Claims. 18
D. Indemnification of Franchisee. 19
E. Discontinuance of use of the Marks 19

7. Your Organization and Management. 19
A. Organizational Documents 19
B. Disclosure of Ownership 20
C. Operating Partner/Management of Business 20
D. General Manager 20

8. Bricks & Minifigs® Operating Standards. 21
A. Condition of your Store. 21
B. Uniform Image 21
C. Services, Products and Vendors 21
D. Specifications and Standards. 23
E. Point of Sale and Proprietary Software 23
F. Compliance with Laws and Good Business Practices. 24

G. Personnel. 24
H. Insurance. 24
I. Provisions Concerning Compliance with Anti-Terrorism Laws. 26
J. Photo/video release. 26

9. Restrictive Covenants. 26
A. Confidential Information. 26
B. In-Term Covenants. 28

10. Marketing and Advertising. 28
A. Local Marketing Fund (LMF). 28
B. National Marketing Fund (NMF). 28
C. Advertising Approvals and Initial Advertising Costs. 29
D. Franchisee Websites. 29
E. Bricks & Minifigs® Website; Franchisee Portals; Social Media. 29

11. Records, Reports, and Financial Statements. 30
A. Reports, Records and Bookkeeping. 30

12. The Company's Right to Inspect the Store; Audits. 31
A. Inspections. 31

13. Transfers / Assignment. 32
A. Transfers/Assignments By Us. 32
B. Restrictions on Transfers By You. 32
C. Conditions for Approval of Transfers By You. 33
D. Death or Disability of Franchisee. 34
E. Special Transfers. 35
F. The Company's Right of First Refusal. 35
G. Effect of Consent to Assignment. 36

14. Termination. 36
A. Immediate Termination. 36
B. Notice of Termination. 38

15. Rights and Obligations of The Company and Franchisee upon Termination or Expiration of the Franchise. 39
A. Revision of Rights. 39
B. Payment of Amounts Owed to Us and Others /Liquidated damages 40
C. Discontinuance of the Use of the Marks Following Termination or Expiration. 40
D. Discontinuance of Use of Confidential Information; Post-Term Covenant Not to Compete. 41
E. Our Option to Purchase Your Assets 42
F. Continuing Obligations. 43

16. Relationship of Parties/Indemnification. 43
A. Independent Contractors. 43
B. Indemnification. 44
C. Taxes. 44

17. Dispute avoidance and Resolution. 44
A. Mediation and Mandatory Binding Arbitration, Waiver of Right to Trial by Jury, Etc. 44

18. Miscellaneous. 45
A. Severability and Substitution of Valid Provisions. 45
B. Waiver of Obligation. 46
C. Acknowledgement Addendum 46
D. Costs and Attorney's Fees. 46
E. Governing Law. 46
F. Specific Performance/Injunctive Relief. 47
G. Binding Effect. 47
H. Construction. 47
I. Entire Agreement 47
J. Exercise of Rights. 48
K. Approval and Consents. 48
L. Notices and Payments. 48
M. Receipt of Disclosure Document and Agreement. 49

EXHIBIT A ACKNOWLEDGEMENT ADDENDUM
EXHIBIT B OWNERSHIP ADDENDUM
EXHIBIT C GUARANTY
EXHIBIT D LEASE ADDENDUM
EXHIBIT E INVESTOR PERSONAL COVENANTS REGARDING CONFIDENTIALITY & NON-COMPETITION
EXHIBIT F AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS
EXHIBIT G SITE SELECTION ADDENDUM
EXHIBIT H ASSIGNMENT OF TELEPHONE NUMBER(S)
EXHIBIT I [HAS BEEN DELETED]
EXHIBIT J SBA ADDENDUM

BAM FRANCHISING, INC. FRANCHISE AGREEMENT

This Franchise Agreement (the "Agreement") is made and entered into as of _____ ____, 20___, by and between BAM Franchising, Inc., a _____ corporation, with its principal place of business at 225 West 520 North, Orem UT 84057 ("**we**", "**us**", the "**Company**" or "**Franchisor**" or "**BAM**") and _____, ("**you**" or "**Franchisee**") whose principal address is _____ [address]. The Company and Franchisee are sometimes collectively referred to in this Agreement as the "Parties."

1. INTRODUCTION

A. BRICKS & MINIFIGS ®.

We own, operate, and franchise The Bricks & Minifigs® businesses that are retail stores, typically located in shopping malls, strip malls or as free-standing structures, featuring high-quality LEGO® products and related merchandise (the "**System**" or the "**Bricks & Minifigs System**"). We and or our Affiliates, have developed and own a comprehensive system for developing and operating Bricks & Minifigs® stores, which includes trademarks, distinctive store designs and layouts, décor and color schemes, vendor relationships, resale methods, advertising methods and strategies, specifications and procedures for quality control, marketing materials, training programs and certain operational and business standards and policies, all of which we may improve, further develop or otherwise modify. A Bricks & Minifigs® ™ franchise will: provide programs permitting customers to sell and/or trade their used LEGO® bricks, LEGO® mini figures and accessories; offer for sale a wide selection of new and used LEGO® bricks, LEGO® mini figures and accessories sold in bulk or full play sets in addition to selling apparel and pre-approved non-LEGO® branded and/or LEGO® compatible products and other merchandise approved by us (the "**Products**"). Additionally, Franchisee may also offer: consignment services, approved themed entertainment services (such as birthday parties, holiday parties, or school events), approved off-site events, after school project-based programs teaching the principals of building with LEGO® bricks to children and other toy related services approved by us (the "**Services**"). Products and Services are also customizable, upon our approval, as Franchisee may also offer, for example, online LEGO® sales, LEGO® memorabilia and LEGO® posters

B. Your Acknowledgements.

You have read and understood this Agreement, our Franchise Disclosure Document, and all agreements relating to these documents. You acknowledge that you have had ample time and opportunity to consult advisors of your own choosing about the potential benefits and risks of entering into this Agreement. You understand the terms, conditions, and covenants of this Agreement and accept them as being reasonably necessary to maintain the uniformity of our high-quality standards at all Bricks & Minifigs® stores to protect and preserve the goodwill of the Marks and the integrity of the System. You have conducted an independent investigation of the business contemplated by this Agreement and recognize that the LEGO® resale industry is highly competitive. You recognize that the nature of Bricks & Minifigs® stores may change over time, that an investment in Bricks & Minifigs® stores involves business risks and that the success of the venture is largely dependent on your own business abilities, efforts, and financial resources.

C. Your Representations.

You and your Principal Owners, jointly and severally, if applicable, represent and warrant to us that: (1) neither you nor any of your Principal Owners has made any untrue statement of any material fact or has omitted to state any material fact in the written information you have submitted in obtaining the rights granted hereunder; (2) neither you nor any of your Owners has any direct or indirect legal or beneficial interest in any business that may be deemed a Competitive Business, except as you have otherwise completely and accurately disclosed in

writing to us in connection with obtaining the rights granted hereunder; and (3) the signing and performance of this Agreement will not violate any other agreement to which you or any of your Owners may be bound. You recognize that we have signed this Agreement in reliance on all of the statements you and your Owners have made in writing in connection with this Agreement.

2. GRANT OF RIGHTS AND TERRITORY.

A. Grant of Franchise.

You have applied for the right to own and operate a Bricks & Minifigs® store (the "**Store**", **"Business"** or "**Franchise**") at and only at, the following location: _____ [address] located within the Territory, as defined in the Site Selection Addendum, attached hereto as Exhibit G (the "**Accepted Location**"). Subject to the terms and conditions of this Agreement, we grant you a non-exclusive right to operate your Store at the Accepted Location and to use the Marks in the operation of the Store in accordance with the System Standards. The "Marks" refers to the trademarks, trade names, service marks, logos and other commercial symbols which we authorize you to use to identify Bricks & Minifigs® Products and/or Services offered by Bricks & Minifigs® stores, including the trademarks and service marks, BRICKS & MINIFIGS and the trade dress and goodwill associated with it, as well as, all taglines that are registered or filed or that may be registered or filed in the future. We reserve the right to modify and/or discontinue the use of these trademarks, trade names, service marks, logos, tag lines and other commercial symbols and trade dress and establish at any time additional or substitute trademarks, trade names, trade dress, service marks, logos, tag lines or other commercial symbols. All such modifications, additions or substitutions shall immediately upon their use be deemed included within this definition of the Marks.

During the Initial Term, as defined below, the Company will not operate (directly or through an Affiliate), nor grant to another person the right to operate, any Bricks & Minifigs® stores located within one mile of the Accepted Location, or as otherwise defined in the Site Selection Addendum attached as Exhibit G ("**Territory**").

Notwithstanding the foregoing, we have the right to operate (directly or through an Affiliate), and to grant to others the right to operate, within the Territory and elsewhere: (1) Bricks & Minifigs® stores or other Lego® concepts using any part or all of the System Standards and/or Marks that are: (i) located at, education facilities or other special locations ("**Special Locations**"); and (2) Stores that we purchase that are part of another franchise system or chain, regardless of whether any or all of them are converted to Bricks & Minifigs® stores or continue to be operated independently; and (3) other establishments that we purchase or acquire that are not directly related to LEGO® resale. Additionally, we may purchase or be purchased by, or merge or combine with competing businesses wherever located.

You have no right to construct or operate any additional, expanded or modified facilities on the Accepted Location, nor any right to construct or operate a Bricks & Minifigs® store at any location other than at the Accepted Location. In addition, you have no right to sublicense pursuant to this Agreement.

Franchisee is not restricted as to the geographic area into which Franchisee may attract customers. However, Franchisee cannot perform any target marketing ("**Target Marketing**") into the territory of another franchisee or company-owned or affiliate-owned outlet. The term "Target Marketing" means a concerted effort by a franchisee to solicit and obtain customers by any type of advertising or marketing directed at all or any portion of another franchisee's territory (or the territory of a company-owned or affiliate-owned outlet). Franchisor shall use commercially reasonable efforts to deal with any franchisee that violates this policy. Franchisee may accept business, sell Products (which includes shipping Products) and provide Services to customers who live outside the Territory even if such customers live within another franchisee's protected territory, so long as the Products and Services that Franchisee is providing are being performed from or at the Accepted Location within the Territory. Franchisee, however, is prohibited from selling Products through any alternative channels of distribution (such as Websites as defined below) without our written approval. If Franchisee is granted permission to sell Products through an alternative channel of distribution, per Franchisor's written approval, Franchisee may

sell Products to customers outside Franchisee's Territory without compensation to the other franchisee or Company-owned store. Franchisor's response to Franchisee's request will be made within thirty (30) days after Franchisor receives it, otherwise the request will be deemed disapproved. Approval may be revoked in Franchisor's sole discretion. Franchisor, Company-owned locations, and other franchisees reserve the same right to sell and ship Products or perform Services to customers who may live within Franchisee's Territory without compensation to Franchisee.

If Franchisee is asked to conduct business at off-site events in geographical areas in which there is another franchisee, Franchisee must refer that request to the Bricks & Minifigs® store in that geographical area or directly to us. Whether the other Bricks & Minifigs® store is a franchise or Company-owned store, you must not conduct business at off-site events in that geographical area. If there is not a Bricks & Minifigs® store in that geographical area, then you must submit a request to conduct business at off-site events to Franchisor and upon its written approval, Franchisee can proceed. Franchisor shall approve or deny Franchisee's request to conduct business at off-site events in other geographical areas not owned by other franchisees or Franchisor, which approval is in Franchisor's sole discretion, within five (5) days of Franchisee's written request. Failure of Franchisee to refrain from Target Marketing and/or refer off-site events to another franchisee or company-owned store, as described above, may result in termination of this Agreement.___

We encourage Bricks & Minifigs® stores, when owned by different individuals, to work out a customer referral arrangement if they are within close proximity of each other (defined as being within a five (5) mile radius of each other). We must be notified in writing of all such arrangements.

We may, from time to time, establish certain programs for the benefit of franchisees and the System whereby Bricks & Minifigs® franchisees will be permitted to provide Products and/or offer Services in accordance with the specifications described in any particular program established by us. Currently in effect, is our National Account program. The National Account program is defined as follows:

a) The term "**National Account**" means a special class of customers which may include but are not limited to large businesses, national organizations or non-profit organizations with outlets located in multiple territories and government agencies who on their own behalf or through agents, franchisees or other third parties owns, manages, controls or otherwise has responsibility for buildings or common-services in more than one location whose presence is not confined within any one particular franchisee's territory regardless of the aggregate contract amount of the Products and/or Services the Franchisee wishes to provide or perform. Any dispute as to whether a particular customer is a National Account shall be determined by us in our sole and absolute discretion and our determination shall be final and binding;

b) We shall have the exclusive right, unless otherwise specifically delegated in writing, on behalf of ourselves, Franchisee and/or any other franchisees utilizing the proprietary marks, to negotiate and enter into agreements or approve forms of agreement to provide Products and offer Services to National Account customers, including any affiliate, company owned or franchised locations within the Territory;

c) Following the execution of a contract with or the acceptance of a bid by a National Account customer which contemplates the provision of Products or Services to one or more National Account customer location within the Territory, Franchisor will, if Franchisee is qualified and, conditioned upon the terms of this Agreement and any addendum, provide Franchisee the option to provide such Products and offer Services pursuant to the terms and conditions of the National Account contract or on such terms and conditions as Franchisor in its sole discretion determines;

d) If Franchisee elects not to provide Products and/or Services to a National Account customer in conformity with the terms and conditions of the National Account bid or contract, or fails to make

an election within the time specified by us, of being offered the opportunity by us, we shall have the right, exercisable in our sole discretion, to:

i. Provide directly or through any other affiliate or franchisee utilizing our proprietary marks, Products and/or Services to the National Account customer location(s) within the Territory on the terms and conditions contained in the National Account bid or contract; and/or

ii. Contract with another party to provide such Products and/or Services to the National Account customer location(s) within the Territory on the terms and conditions contained in the National Account bid or contract between us and the National Account customer, utilizing our proprietary marks or any trademarks, service marks or trade names.

e) Neither the direct provision by us (or a franchisee, affiliate or agent of ours) of Products or Services to National Account customers as authorized in d)i above, nor if we contract with another party to provide such Products and/or Services as authorized in d)ii above, shall constitute a violation of this section relating to the exclusivity of the Territory, even if such Products and/or Services are delivered or performed from a location within the Territory. Franchisee disclaims any compensation for Products sold or Services provided by others in the Territory pursuant to this section.

Franchisee's rights in the Territory are exactly (and only) as expressly set forth in this Agreement. Except as expressly provided in this Agreement, Franchisee has no right to exclude, control or impose conditions on the location, operation, or otherwise of present or future Bricks & Minifigs® (or any other brand) units or distribution channels of any type, franchised or company-owned, regardless of their location or proximity to the Store and whether or not they sell Products or offer Services to customers within the Territory. Franchisee does not have any rights with respect to other and/or related businesses, products and/or services, in which we or any Franchisor-related persons or entities may be involved, now or in the future.

B. Initial Term.

The initial term of this Agreement will be five (5) years, commencing on the date of this Agreement (the "Initial Term"). This Agreement may be renewed as provided in Section 2C. This Agreement may be terminated before expiration of its term if: (i) the lease or sublease of the Accepted Location is terminated, or you otherwise lose the rights to occupy the Accepted Location, or (ii) this Agreement is otherwise terminated in accordance with Section 14. References in this Agreement to the "Term" of this Agreement mean the initial term and any renewal term.

C. Renewal.

If you are not in default and you continue to meet our financial criteria for new franchisees at the time of exercise of a renewal option and at the time the prior term expires, you shall have the right, subject to the conditions contained in this Section, to renew this Agreement for your Bricks & Minifigs® stores on the terms and conditions of our then-current form of the Franchise Agreement, for an additional five (5) year term, if upon expiration of the Term:

(i) You give us written notice of your desire to renew your Agreement not less than six (6) months nor more than twelve (12) months before the expiration of the Agreement;

(ii) You sign our then-current form of Franchise Agreement that may include different Royalty Fees, marketing fees and other fees and charges, and changes in performance criteria and in other terms and conditions, and our then-current Renewal Rights to this Franchise Agreement, which shall,

among other things, establish that the Franchise Agreement is for a renewal term with no additional renewal rights, and contain a general release of any and all claims against us or our Affiliates and our and their respective officers, directors, attorneys, shareholders and employees;

(iii) You met all of our then-current qualification and training requirements;

(iv) At our request, you refurbish, remodel, redecorate, and renovate your Store at the commencement of the renewal term to meet our then-current System Standards, including designs and service systems, trade dress and our then-current site criteria;

(v) You have complied with all of the material terms and conditions of this Agreement or any other agreement between you and us during the initial term; and you and your Owners have been in substantial compliance with this Agreement throughout the Term;

(vi) All monetary obligations owed by you to us, our Affiliates or your suppliers or creditors, whether pursuant to this Agreement or otherwise, have been satisfied before renewal, and have been paid in a timely manner throughout the Term; and

(vii) You have the right to continue to lease or own the location of the Accepted Location for the duration of the renewal term.

(viii) You have not committed three (3) or more material breaches of this Agreement in the preceding twenty-four (24) months prior to expiration.

If you have the right to renew, you must pay a renewal fee of $2,000. We retain the right to change your fee for any renewal of your Agreement.

We will give you notice, not later than 30 days after receipt of your election to renew, of our decision whether or not you have the right to renew this Agreement pursuant to this Section.

Failure by you (and your Owners) to sign these agreements and releases within 30 days after delivery to you shall be deemed an election by you not to renew the franchise rights for your Store.

D. Our Reservation of Rights.

Except as otherwise expressly provided in this Agreement, we and our Affiliates (and our respective successors and assigns, by purchase, merger, consolidation, or otherwise) retain all of our rights and discretion with respect to the Marks, the System, and Bricks & Minifigs® stores anywhere in the world, and the right to engage in any business whatsoever, including the right to: (1) except within the Territory, operate, and grant to others the right to operate, Bricks & Minifigs® stores at locations and on terms and conditions as we deem appropriate (you acknowledge that these Bricks & Minifigs® stores may be in direct competition with your Store, without regard to any adverse effects of these activities on your Store and without any obligation or liability to you); and (2) sell any products or services under any trade names, trademarks, service marks or trade dress, including the Marks, through other channels of distribution (including wholesale distribution of merchandise to Store, Internet, catalogs, smartphone applications, and other outlets). You acknowledge and agree that, except as expressly provided to the contrary in Section 2A hereof, your rights hereunder shall be non-exclusive. You waive, to the fullest extent permitted under law, all claims, demands or causes of action arising from or related to any of the foregoing activities by us or any of our Affiliates.

We also reserve the right to use the Marks and System to sell any Bricks & Minifigs® products, and other goods, which are similar to those products and services offered by the Franchised Business. This includes, but is not limited to, other channels of distribution such as television, mail order, catalog sales, wholesale sale to unrelated franchises, or over the Internet, or through smartphone applications, or through other forms of electronic

media (including social technology, social media and social networking platforms). The Internet is a channel of distribution reserved exclusively to Franchisor, and Franchisee may not independently market on the Internet or conduct e-commerce without Franchisor's express written approval. Franchisor has the sole right to market and sell on the Internet and use the Marks on the Internet, including all use of websites, domain names, URLs, directory addresses, email addresses, metatags, linking, advertising, co-branding and other arrangements, and in all other forms of electronic media. Franchisee may not separately register any domain name or any portion of a domain name containing the Marks or participate or market on any website or other form of electronic media using the Marks unless Franchisee first obtains written approval from Franchisor. Franchisee's general conduct on the Internet or other forms of electronic media, including Franchisee's use of the Marks or any advertising, is subject to the terms and conditions of this Agreement and any other rules, requirements or policies that Franchisor may identify from time to time.

Additionally, we reserve the right to purchase or be purchased by, or merge with, or combine with, or affiliate with, and thereafter own and operate, and franchise or license others to own and operate, any businesses of any kind that competes directly with Franchisee's Franchise wherever located, including, without limitation, any business that offers products or services the same as or similar to those offered by Franchisee under the System and proprietary marks, within or outside the protected territory.

We also reserve the right to implement multi-area marketing programs which may allow Franchisor or others to solicit or sell to Customers or potential Customers anywhere, as set forth in Section 10. In such a program, Franchisee will have the option of servicing any Customer within its Protected Territory. Franchisor also reserves the right to issue mandatory policies to coordinate such multi-area marketing programs.

3. FRANCHISE FEES.

A. Initial Franchise Fee.

You shall pay to the Company a nonrecurring and nonrefundable initial franchise fee of **$25,000** payable when you sign this Franchise Agreement (the "Franchise Fee). The Franchise Fee shall be fully earned by the Company when paid.

B. Royalty Fees.

You shall pay to the Company a continuing fee equal to 6% of the monthly Gross Revenues of the Store (the "Royalty Fee") or $500 ("Minimum Royalty Fee"), whichever is greater. Payment shall be due monthly on the 10th day of the month for the preceding month by 5:00 p.m., MST or at such other date and time as Franchisor may designate upon reasonable advance notice. During the first partial month during which you operate your Store, the Royalty Fee and not the Minimum Royalty Fee will apply. The Minimum Royalty Fee will become effective during your first full month of operation. Any payment or report not actually received by us on or before this date shall be deemed overdue. If any state imposes a sales or use tax on continuing royalties, then you must pay for or reimburse us for these taxes imposed on the Royalty Fee or Minimum Royalty Fee due to us under this Agreement. As set forth under Section 3D, you acknowledge that we have the right to transfer information from your Store's systems via a remote-access, e-mail, web-based programs and protocols, Internet, the Franchise Website, or other types of electronic data transfer to determine your Store's Royalty or Minimum Royalty Fee for the previous Reporting Period.

"Gross Revenues" shall mean the total of all receipts derived from any source related to, or in connection with, the operation of your Store. Without limiting the generality of the foregoing, this definition includes, without limitation the following:

- all revenue accrued from the performance of services and the sale of products in, at, upon, about, through or from the Store, online or any other marketplace;

- all forms of consideration, including, without limitation, cash, credit (regardless of collection), payment in kind, fair market value for any service or product you receive in barter or exchange for your services, and any other type of benefit, value or remuneration that you receive (or defer to receive in the future); and
- insurance proceeds and/or condemnation awards for loss of sales, profits or business.

Notwithstanding the foregoing, "Gross Revenues" shall not include revenues from any sales taxes or other add on taxes collected from customers by Franchisee for transmittal to the appropriate taxing authority, gratuities paid by customers to Franchisee's employees, the amount of cash refunds to customers, customer discounts, manager-authorized and/or customer loyalty program discounts, allowances and charge-backs the Franchisee in good faith gives to customers. The sale and delivery of all Products and Services away from the Store will be included in computing Revenue. The retail value of any complimentary services or trades for products or services you provide is limited to a maximum of 2% of Revenue in the aggregate.

C. Product and Vendor Assessment Fee

Franchisee will pay an assessment fee for our approval of any product and any vendor or supplier (to the extent not then on Franchisor's list of approved products or vendors), which may also require third party testing. The assessment fee is $100 for a single product and/or vendor or supplier; and $300 for up to twenty (20) products under the same vendor or supplier that Franchisee wishes to use and/or substitute in the Store. We may waive these fees if the products, vendors or suppliers that the Franchisee selects meet our requirements and make it on our approved list of products, vendors or suppliers for all Franchise locations.

Franchisee must obtain our written approval for the use of such products, vendors or suppliers in the Franchise. Franchisor will have thirty (30) days following the receipt of Franchisee's written request to approve or disapprove proposed products, vendors or suppliers. If Franchisor does not approve the proposed products, vendors or suppliers by written notice to Franchisee within this thirty (30) day period, all such items will be deemed disapproved. Franchisee also acknowledges that the cost for third party testing is Franchisee's responsibility.

D. Interest and Late Fees.

If any payment is overdue, you shall pay to us, in addition to the overdue amount, interest on this amount from the date it was due until paid, at a rate which is stated below or the maximum rate permitted by law. Entitlement to this interest shall be in addition to any other remedies we may have. Your failure to have sufficient funds available in the designated account in an amount equal to any amount then due or your failure to pay all amounts when due, constitutes grounds for termination of this Agreement, as provided in Section 14, notwithstanding the provisions of this Paragraph. To compensate the Company for its increased administrative costs of handling late payments, the Company shall have the right to charge a fee of $50 for each delinquent payment to the Company, due upon making the delinquent payment. All Royalty Fees and advertising contributions, and all other amounts which you owe to the Company shall also bear interest after due date at the highest applicable legal rate for open account business credit, not to exceed 1.5% per month. You acknowledge that this Paragraph shall not constitute the Company’s agreement to accept these payments after same are due or commitment by the Company to extend credit to, or otherwise finance your operation of, the Store.

E. Application of Payments.

Notwithstanding any designation by you, the Company shall have the sole discretion to apply any payments by you to any past due indebtedness by you for Royalty Fees, advertising contributions, purchases from Company, interest or other indebtedness. All such payments to the Company shall be made by automatic withdrawal (ACH) from an account designated by you. All costs and expenses of establishing and maintaining this designated account, including transaction fees, shall be paid by you. You must complete any form necessary to authorize and direct your bank or financial institution to pay and deposit any payments due to the Company

directly to the Company's account. The Company's current form of ACH authorization is attached as Exhibit F. You must maintain sufficient funds in your account to cover all such withdrawals. If sufficient funds are not available in the designated bank account at the time of an electronic transfer to pay fees that are due to us or our Affiliates, we will charge a service fee of $30 per occurrence, subject to applicable law. Also, you acknowledge that your failure to have sufficient funds available in the designated account in an amount equal to any amount then due, constitutes grounds for termination of this Agreement, as provided in Sections 14. You agree that you will not withhold payment of any amount due and payable to us on the grounds that we have not performed any of our obligations under this Agreement. Any amounts owed due to insufficient funds will also be subject to late fees as disclosed in the paragraph above, as well as additional accrued interest expense on delinquent amounts.

4. DEVELOPMENT AND OPENING OF THE STORE.

A. Site Selection.

Franchisee assumes all costs, liability, expense and responsibility in locating, obtaining and developing a site for the Store. We will furnish you with our standard site selection criteria and assistance for Bricks & Minifigs® stores, as we periodically may establish and modify. A typical Bricks & Minifigs® store has approximately 1,000-3,000 square feet of space. The space for a Bricks & Minifigs® store must be enclosed and separate from other businesses with its own locking door. Franchisee may buy or lease the required real property and improvements from any source and on terms approved by Franchisor in writing. All improvements to the Store must be approved by Franchisor. You may also at times, and at our discretion, be required to utilize the services of an Approved Supplier, to assist you in ascertaining the most viable site for your Bricks & Minifigs® stores. We may also provide such on-site evaluation of sites proposed pursuant hereto as we deem necessary or appropriate.

You must lease, sublease or purchase the Accepted Location within 30 days after signing this Agreement. We must approve the terms of any lease, sublease or purchase contract for the Accepted Location, and you must deliver a copy to us for our approval before you sign it along with the Lease Addendum, attached as Exhibit D. You agree that any lease or sublease for the Accepted Location must, in form and substance be satisfactory to us; and it must include all of the provisions set forth in Exhibit D. You may not sign a lease, sublease or purchase contract or any modification thereof without our written approval. Our approval of the Accepted Location is based upon, and made in reliance on, information you furnish and representations you make to us with respect to the size, appearance and other physical characteristics of the Accepted Location, photographs of the Accepted Location, and demographic characteristics, traffic patterns, competition from other businesses in the area and other commercial characteristics (including the purchase price, rental obligations, and other lease terms).

Our approval of the Accepted Location, lease, sublease, or purchase contract, and any information communicated to you regarding the Accepted Location do not constitute an express or implied representation or warranty of any kind, including, but not limited to, its fairness or as to the suitability of the Accepted Location for a Bricks & Minifigs® stores or as to your ability to comply with the terms of the lease or for any other purpose. Our approval of the Accepted Location, lease, sublease or purchase contract indicates only that we believe that the Accepted Location falls within our criteria as of the time period encompassing the evaluation. We do not, by virtue of approving the Accepted Location, lease, sublease or purchase contract, assume any liability or responsibility to you or to any third parties. You acknowledge that you have the sole responsibility for obtaining the advice of your own professional advisors before you lease, sublease, or purchase the Accepted Location. Franchisor encourages Franchisee to seek independent counsel from a lawyer or business advisor to assist Franchisee in negotiating a lease for the Franchised Business.

If a site for your Store has not been agreed upon by the Parties by the time this Agreement is signed, we will approve a site for your Store in accordance with the provisions found in this Section and you must sign and comply with the Site Selection Addendum attached as Exhibit G:

(1) You must submit to us, in accordance with procedures we periodically establish, a complete site proposal form, (the "Site Proposal Package"), containing demographics information, traffic patterns, access, visibility, location of other toy stores (including other Bricks & Minifigs® stores) and size, condition, configuration, appearance and other physical characteristics of the site and all other information that we reasonably require for each site for a Bricks & Minifigs® stores that you propose to develop and operate and that you in good faith believe to conform to our then-current standard selection criteria for Bricks & Minifigs® stores;

(2) We will approve or reject each site for which you submit to us a complete Site Proposal Package in accordance with this Section and, if we approve the site, we will do so by delivering our standard Site Approval Letter. Our Site Approval Letter, duly signed by us, is the exclusive means by which we approve a proposed site. We will use all reasonable efforts to make a site approval decision and, if the site is approved, deliver a Site Approval Letter to you within 30 days after we receive the complete Site Proposal Package and any other materials we have requested. In deciding whether to approve or reject a site you propose, we may consider the factors as we, in our sole discretion, deem appropriate, including the general location and neighborhood, demographics information, traffic patterns, access, visibility, location of other Store (including other Bricks & Minifigs® stores) and size, condition, configuration, appearance and other physical characteristics of the site. Our approval of a proposed site does not constitute a warranty or representation of any kind, express or implied, as to the suitability of the proposed site, but merely signifies that we are willing to grant the right to a franchise for a Bricks & Minifigs® stores at that location in accordance with the terms of this Agreement. Your decision to develop and operate a Bricks & Minifigs® stores at any site is based solely on your own independent investigation of the suitability of the site for a Bricks & Minifigs® stores. In consideration of our approval of a proposed site, you and your Owners agree to release us, and our Affiliates, shareholders, members, officers, directors, employees, agents, successors and assigns from any and all loss, damages and liability arising from or in connection with the selection and/or approval of this site for the development of a Bricks & Minifigs® stores.

(3) You must provide any other information or materials as we may require, such as a letter of intent or other document which confirms your favorable prospects for obtaining the proposed site.

B. Acquisition or Lease of Accepted Location.

Unless you own the Accepted Location, you must obtain any necessary lease or sublease for the Accepted Location. Unless we otherwise agree in writing, we will not assist you in the process of obtaining and/or negotiating a lease or sublease for the Accepted Location. In any event, you must obtain our approval of the terms of the lease or sublease, or purchase contract or any modification thereof, for the Accepted Location before signing the lease or sublease. You agree that any lease or sublease for the Accepted Location must, in form and substance satisfactory to us, include all of the provisions set forth on Exhibit D, unless otherwise approved by us. You agree to indemnify and hold us and our Affiliates harmless from any breach of the lease even though we or one of our Affiliates may elect to assume the lease upon your termination.

If you, one of your Owners, or one of your Affiliates at any time owns the Accepted Location, you must immediately notify us and we may require that you or this Owner or Affiliate (1) enter into an agreement with us in recordable form granting us the right and option, in the event of a termination (for whatsoever reason) of the Franchise Agreement, to lease the Accepted Location at fair market rental rates for a term coterminous with the term of the Franchise Agreement for these Accepted Location; or (2) enter into a prime lease with us at fair market rental rates for a term coterminous with the term of the Franchise Agreement for these Accepted Location and a sublease with us on the same terms as the prime lease. The prime lease and sublease referenced in the preceding sentence shall be on the then-current lease and the sublease forms used by us.

If the lease for your Store is terminated, at no fault of Franchisee, before the end of the Term, you may move your Store to another location chosen in accordance with our site evaluation and approval process found in Section 4.A. The new location (1) must be in the original Store's Territory, as determined by us, and (2) may in no case infringe upon a franchise agreement or other agreement applicable to another Store.

If you lose possession of your Store's Accepted Location because the lease expired by its terms, or on account of condemnation or eminent domain proceedings, you must initiate the relocation procedure in time to lease, build-out and open your Store for business within 60 days after the original Store closes. If your lease is terminated on account of a fire or other casualty, you must initiate the relocation procedure in time to lease, build-out and open your Store for business within 90 days from the date of such casualty.

C. Development of the Store.

Franchisee must select and employ licensed contractors reasonably acceptable by us for the complete build out and/or any leasehold improvements. Franchisee is solely responsible for the selection and work of any contractor selected and/or employed by Franchisee, even if referred by us, and for the preparation of architectural and working drawings necessary to complete construction and/or build out at the approved Store. Franchisee will be provided with mandatory requirements and specifications (interior and exterior) for the build out of the Store which includes specifications for Store layout, storage, furnishings, fixtures, décor and signage. Franchisor must review Franchisee's architect's final plans prior to implementation. Such plans and specifications are subject to alteration as may be necessary in Franchisor's sole discretion and Franchisee must be in full and strict compliance with plans and specifications approved by us. Franchisee is responsible for the cost and installation of all build out specifications. Franchisor reserves the right to receive rebates, commissions or other forms of consideration from designated or approved suppliers involved in the construction or fixturing of the Store and to use such rebates, commissions or other consideration in any way Franchisor deems appropriate in Franchisor's sole discretion, without obligation to share or remit any portion of such rebates, commissions or other consideration to Franchisee.

We would expect that a Bricks & Minifigs® business location would need construction improvements. Costs may vary widely depending on such factors as property location, the condition of the property and the extent of alterations required for the property. Franchisee shall be responsible for obtaining all zoning classifications, health, sanitation, clearances, permits and certifications which may be required by state or local laws, ordinances, or regulations or which may be necessary or advisable owing to any restrictive covenants relating to Franchisee's location. After having obtained such approvals and clearances, Franchisee shall submit to Franchisor, for Franchisor's approval, final plans for construction based upon the preliminary plans and specifications. Once approved by Franchisor, such final plans shall not thereafter be changed or modified without the prior written permission of Franchisor. Any such change made without Franchisor's prior written permission shall constitute a material default under this Agreement and Franchisor may withhold its authorization to open the Store until the unauthorized change is rectified (or reversed) to Franchisor's reasonable satisfaction.

Franchisee shall comply with all federal, state and local laws, codes and regulations, including without limitation, the applicable provisions of the ADA regarding the construction, design and operation of the Store. If Franchisee receives any complaint, claim or other notice alleging a failure to comply with the ADA or other law or regulation related to health or safety, Franchisee agrees that it shall provide Franchisor with a copy of such notice within five (5) days after receipt thereof.

Franchisee shall construct, furnish and open the Store according to the requirements contained herein, and Franchisee shall open the Store by the Opening Deadline. Time is of the essence. Prior to opening for business, Franchisee shall provide Franchisor with evidence of lean-free completion of all work (including, without limitation, any and all mechanic leans) and to comply with all pre-opening requirements set forth in this Agreement (including without limitation those with respect to minimum expenditures on grand opening marketing and promotion), the Operations Manual, and/or elsewhere in writing by Franchisor.

Franchisee shall not open the Store until Franchisor has determined that all construction has been substantially completed, and that such construction conforms to Franchisor's standards including, but not limited, to materials, quality of work, furnishings, fixtures, signage, decor, paint and Franchisor has given Franchisee written approval to open, which approval shall not be unreasonably withheld. Franchisor's approval to open the Store does waiver of Franchisor's right to require Franchisee to conform the Store to Franchisor's standards.

D. Furnishings, Fixtures, Equipment and Signs.

You must purchase or lease all required furnishings, fixtures, equipment and signs for your Store. You must purchase, lease, or use in the development and operation of the Store only those brands, types or models of fixtures, furnishings, signs, supplies, services, and equipment and the design, architectural and construction services that the Company has approved. As discussed above, we will provide to you the names of our approved vendors for your furniture, fixtures, equipment and signs. Occasionally, we may modify the list of approved types, brands, models and/or suppliers, and you may not, after receipt of notice of this modification, reorder any type, brand or model from any supplier that is no longer approved. After your Store opens, you agree not to alter its fixtures, equipment, signs, or furniture without our express prior written approval.

You further agree to place or display at the Accepted Location of the Store only such signs, emblems, marketing materials, lettering, and logos that are periodically approved in writing by the Company. You must display in your Store all required informational, directional, wayfinding, and descriptive signage as well as any other branding, advertising, and marketing materials we provide you pursuant to Section 10 of this Agreement.

In operating your Store, you must establish and maintain a bookkeeping, accounting, record keeping and data processing system conforming to the requirements and formats that we prescribe; including, a common chart of accounts and methodology format, submission process and timeline, and you must use the operational data control system approved by us, as further detailed in the Manual. You must furnish us periodic reports, which include and are not limited to, monthly gross revenue reports and monthly profit and loss statements and balance sheets. You must provide such period reports in a timely manner as noted in Section 11 of this Franchise Agreement.

You must also purchase front of house and back-office computer system with the appropriate hardware and software. You must purchase the appropriate word processing, spreadsheet, internet browser, anti-virus, firewall, spyware protection, point of sale software and any other software we may choose to require. You also must pay any fees associated with the required software and POS systems.

You must provide assistance as may be required to connect your Store’s computer system with our centralized computer systems. We shall have the right to periodically retrieve this data and information from your computer system deemed necessary or desirable, and you must fully cooperate with these efforts. In view of the contemplated interconnection of computer systems and the necessity that these systems be compatible with each other, you agree that you will comply strictly with all defined standards and specifications for items associated with your computer system.

To ensure operational efficiency and optimum communication capability among computer systems installed at Bricks & Minifigs® stores, you agree, at your expense, to keep your computer systems in good maintenance and repair, and to promptly install these upgrades, additions, changes, modifications, substitutions, and/or replacements of hardware, software, data connectivity, electrical power, and other computer-related facilities, as we direct.

You must upgrade or replace financial and inventory data processing and communications systems to conform with then current security requirements and system upgrades, whenever we require it. You will be responsible for the cost of such upgrades.

E. Store Opening.

You must open the store and be operational within 180 days of signing this Franchise Agreement (the "Opening Deadline"). Any variance or extension of the Opening Deadline must be obtained from us in writing.

We will provide you with access to our Pre-Opening Manual to assist you in the pre-opening process. You will prepare and furnish to the Company an opening, advertising and promotional plan and budget for the Store that will contain a time line for opening and budget for publicity, advertising, promotion, staffing, decoration and operation during the Opening Period ("Grand Opening Plan"). You must submit a Grand Opening Plan (including the budget) to us for approval at least 90 days before your Store's targeted Grand Opening date. You must use the types of advertising media specified in the Grand Opening Plan and the Pre-Opening Manual. You must spend not less than five thousand Dollars ($5,000) for advertising and promotion of the opening of the Store (the "Grand Opening Expenses"). The Grand Opening Expenses will be for materials and marketing services expenses–such as media costs–and will not include staffing costs. You must submit proof of then current advertising and marketing expenditures to us 10 days before the opening of your Store. Your Grand Opening Plan must be implemented 30 days before your Store's targeted Grand Opening date and for 30 days following the commencement of the Store's Grand Opening event.

We will also provide you with opening operational assistance as set forth below to assist you in starting your operations, including on-site opening assistance, as scheduled by us. You may be required to pay for the expenses of personnel, including airline and other transportation costs, meals, lodging and salaries.

5. TRAINING AND GUIDANCE.

A. Initial Training.

Franchisor will provide the initial training program at its headquarters or another location of its choice. Despite any provision in this Agreement to the contrary, Franchisor has$_1$ o obligation to provide the initial training program to Franchisee at Franchisor's expense except for the Franchisee's first franchise. Initial training will take place after Franchisee pays the initial Franchisee fee, but before Franchisee opens the franchised business. Franchisor will provide this initial training (approximately five (5)-day training program at corporate headquarters) without charge for up to three individuals, which must be your Owners, at least sixty (60) days before the date the Franchisee anticipates opening the Store (the "**Initial Training Program**"). Franchisee will, however, be responsible for travel, accommodation and other costs for all its attendees. Franchisee must attend and satisfactorily complete this training at least sixty (60) days before the date the Franchisee anticipates opening the Store. If Franchisee fails to complete the Initial Training Program to Franchisor's satisfaction, Franchisor may terminate this Agreement as described in Section 14. Thereafter, any Owner designated by Franchisee to replace a previously trained owner may be trained by Franchisor (in Franchisor's discretion) within thirty (30) to ninety (90) days of replacement, at Franchisee's cost as provided below.

As part of the Initial Training Program, Franchisor will provide Franchisee with: Product knowledge and specifications, strategies for purchasing Products, inventory management, POS system and software operations, techniques in efficiencies, operational standards, customer service, hiring guidelines and standards, safety procedures, sales and merchandising, suggested pricing for Products and Services in addition to Franchisor's proprietary Software programs as described in Section 8 that may have been developed by us (or our affiliates) and required in the operation of each Store. Franchisor reserves the right, in its sole discretion, to add, modify and change such training from time to time. Franchisee will be responsible for all costs associated with the administration of such changes.

B. Pre-opening training

Franchisor will provide up to three (3) days of pre-opening and/or grand opening supervision and assistance at Franchisee's Store prior to opening. We will endeavor to complete such training within thirty (30) days before the Store Grand Opening Date and after the initial five (5)-day training has been completed to

Franchisor's satisfaction. Franchisor's costs associated with this pre-opening/grand opening supervision and assistance are incurred by the Franchisor for Franchisee's first Franchise only. Franchisor will not provide this supervision and assistance at Franchisor's expense for Franchisee's second or subsequent Franchise. Additional support requested by Franchisee will be subject to the training charges as described in this Section.

C. Additional training, assistance, and conventions

Franchisor may reasonably require Franchisee and its Owners (and new or replacement Owners) to receive or attend and complete to Franchisor's satisfaction additional or advanced training from time to time. Franchisee may be required to pay for such training at Franchisor's reasonable then-current training fees. Franchisee must also pay travel, food, and accommodations and all other related expenses. Franchisor will attempt to use distance learning techniques where possible, to minimize these costs.

Depending on availability, Franchisor may provide additional training to Franchisee for Franchisee's Owners at Franchisee's request. Franchisee may be required to pay Franchisor the charges that Franchisor reasonably determines. Franchisee will be responsible for travel, room and board and other expenses of trainees.

Franchisor shall also offer additional training resources to the Franchisee to be determined by Franchisor, for the operation, advertising and promotion of the Franchise including refresher training programs, seminars, workshops, annual conference and information available through the franchise website for the benefit of the Franchisee and the Franchisee's employees. Franchisor may charge a reasonable fee for additional training if Franchisor deems appropriate (distinct from Continuing Education). Any and all travel, living, lodging and other expenses incurred by the Franchisee or Franchisee's representatives or employees attending Franchisor's training shall be paid by Franchisee.

D. Hiring and Training of Employees by Franchisee.

You are responsible for all employment decisions with respect to your staff, including hiring, firing, compensation, training, supervision and discipline, regardless of whether you receive advice from us on any of these subjects. You may not recruit or hire any person who is an employee of ours or of any Bricks & Minifigs® stores operated by us, our Affiliates or another franchisee of ours without obtaining the respective employer's consent, which consent may be withheld for any reason. You must maintain at all times a staff of employees, who have been trained pursuant to our guidelines and requirements, sufficient to operate the Store in compliance with the System Standards.

E. Operations Manual and pre-opening manual.

During the Term of this Agreement, we will provide you with access to the Bricks & Minifigs® operations manual (the "**Operations Manual**") and our Pre-Opening Manual (the "**Pre-Opening Manual**") (collectively, the **"Manuals")**. The Manuals contain mandatory and suggested specifications, standards and operating procedures that we prescribe for Bricks & Minifigs® stores, and contains information relating to your other obligations under this Agreement. You must comply fully with all mandatory standards, specifications, and operating procedures and other obligations contained in the Manuals. We have the right to modify the Manuals in the future to reflect changes in the image, specifications, standards, procedures, system, and System Standards. It is your responsibility to keep your Operations Manual current by checking for all updates and revisions, which updates and revision swill be posted online. If a dispute develops relating to the contents of the Manuals, our master Manuals will be controlling. The Manuals contains Confidential Information, and you agree not to copy at any time any part of the Manuals, either physically or electronically, provided that you may print out one current copy of any Manuals that we provide in electronic format and keep it at the Accepted Location of your Store. You agree not to allow unauthorized persons access to the Bricks & Minifigs Google workspace shared drive; the Slack communications platform or any other franchisee-only portal that Franchisor may provide (the "Intranet"). Unauthorized use of the Manuals or the System will constitute a breach of this Agreement and an infringement of

our proprietary rights, including trade secrets and copyrights. You must promptly report any unauthorized use of the Manuals or other Confidential Information to us immediately.

6. THE MARKS.

A. Ownership and Goodwill of the Marks and Trade Secrets.

You acknowledge that the Company and its Affiliate **("Licensor")** are owners of certain rights to the Marks, that your right to use the Marks is derived solely from this Agreement and is limited to the conduct of business by you pursuant to and in compliance with this Agreement and all applicable standards, specifications and operating procedures prescribed by the Company periodically during the term of the Franchise. Any unauthorized use of the Marks by you shall constitute a breach of this Agreement and an infringement of the rights of the Company and/or Licensor in and to the Marks. You acknowledge and agree that all usage of the Marks by you and any goodwill established by it shall inure to the exclusive benefit of the Company and/or Licensor and that this Agreement does not confer any goodwill or other interests in the Marks upon you (except the right to operate a Bricks & Minifigs® stores in compliance with this Agreement). All provisions of this Agreement applicable to the Marks shall apply to any additional proprietary trade and service marks and commercial symbols authorized for use by and licensed to you by the Company. You acknowledge that as of the date of the Franchise Agreement, some or all of the Marks may not have been registered with any state or federal agency. You may not at any time during or after the Term contest, or assist any other person or entity in contesting, the validity or ownership of any of the Marks.

You hereby acknowledge that Franchisor or one or more of Franchisor's affiliates own and control the distinctive plan and trade secrets for establishing, operating, and promoting Bricks & Minifigs® stores and all related licensed methods of doing business which include, but are not limited to, technical Store standards; customer relations; vendor relations; marketing techniques and content; written promotional materials, Manuals, and Training Program Manual contents; advertising strategies; financial reports and financial dashboards; and accounting systems; all of which constitute trade secrets and may have been licensed to Franchisor, and you acknowledge that Franchisor and its Affiliates have valuable rights in and to these trade secrets. You further acknowledge all innovations, additions, or improvements made to the Marks or System Standards, even if by you, shall belong to Franchisor and/or its Affiliates.

B. Limitations on Franchisee's use of the Marks.

You must use the Marks as the sole identification of the Store, provided that you are identified as the independent owner in the manner prescribed by the Company. You must use only the Marks as we prescribe in connection with your Store and the sale of authorized services and products. You shall ensure that all Copyrights used hereunder shall bear an appropriate copyright notice under the Universal Copyright Convention or other copyright laws prescribed by us. Any unauthorized use, adaptation, publication, reproduction, preparation of derivative works, distribution of copies (whether by sale or other transfer or ownership, or by rental, lease or lending), or attempts to recreate all or a portion of these Copyrights shall constitute a breach of this Agreement and an infringement of the rights of the Company and/or Licensor in and to the Marks and to the Copyrights. You shall not use any Mark (or any abbreviation, modification or colorable imitation) as part of any corporate or legal business name or trade name or any Internet-related use such as an electronic media identifier, for websites, web pages or domain names not expressly authorized by us in writing, or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed to you under this Agreement), or in any modified form or in any other manner; nor may you use any Mark in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized in writing by the Company. You must prominently display the Marks in the manner prescribed by the Company, and give notices of trade and service mark registrations as the Company specifies and to obtain fictitious or assumed name registrations as may be required under applicable law. In addition to all other rights we may have regarding unauthorized use of the Marks or the sale of unauthorized products or services, you must reimburse us for any damages, liability or expenses incurred by us arising out of your sale of any unauthorized product or service. If any of the fees payable pursuant to this

Section are for the right to use the System Standards, these fees are all-inclusive and are not allocated among any of the various rights, including the Marks or any components of the Marks, that compromise the System Standards.

Franchisor retains the sole right to market and sell on the Internet and use the Marks to market on the Internet, including all use of Web sites, domain names, URLs, directory addresses, email addresses, metatags, linking, advertising, and co-branding and other arrangements, and in all other forms of electronic media. Franchisee may not: (i) establish a presence on the Internet except as we may specify, and only with our prior written consent; (ii) separately register any domain name or any portion of a domain name containing the Marks; or (iii) participate or market on any website or other form of electronic media (including social technology, social media and social networking platforms) using the Marks unless Franchisee first obtains written approval from Franchisor. Franchisee's general conduct on the Internet or other forms of electronic media, including Franchisee's use of the Marks or any advertising, is subject to the terms and conditions of this Agreement and any other rules, requirements or policies that Franchisor may identify from time to time. Subject to this Section below, Franchisee may use the Marks for advertising using social media but must first obtain Franchisor's prior written approval, which shall not be unreasonably withheld, conditioned or delayed. Franchisee must sign any internet and intranet usage agreements and policies when developed by Franchisor. Franchisor retains the right to approve or disapprove any linking to or other use of the Web site.

You acknowledge that we are the lawful, rightful, and sole owner of the www.bricksandminifigs.com domain name and unconditionally disclaim any ownership interest in that phrase or any similar Internet domain name. Franchisee shall not establish a Website on the Internet using any domain name containing the words "Bricks & Minifigs" and "Bricks and Minifigs" or any variation thereof or any other words that describe the Bricks & Minifigs® business as determined by us, in our sole discretion, which may change from time to time. Franchisee acknowledges that we have all right, title and interest in and to such domain names, as we shall designate in the Operations Manual. Franchisee must comply with our requirements regarding discussing, advertising or disseminating any information, or otherwise having a presence on a Website, regarding the Store.

If we approve a separate Website (which we are not obligated to do), then each of the following provisions will apply: (i) Franchisee may neither establish nor use any Website without our prior written approval; (ii) before establishing any Website, Franchisee must submit to us, for our prior written approval, a sample of the proposed Website, including its domain name, format, visible content (including, without limitation, proposed screen shots), and non-visible content (including meta-tags), in the form and manner we may require; and all such work must be performed by us, our affiliates or approved vendors (Franchisee is responsible for all expenses); (iii) Franchisee must not use or modify a Website without our prior written approval; (iv) Franchisee must comply with the standards and specifications for Websites that Franchisor may periodically prescribe in the Operations Manual or otherwise in writing; and (v) if Franchisor requires, Franchisee must establish hyperlinks to Franchisor's Website and other Websites; and (vi) Neither Franchisee nor any of its employees shall post any information regarding us or the System, on any Website or any internet site, without our prior written approval, nor any disparaging statement either during or after termination or expiration of the Agreement. Further Franchisee shall educate and make commercially reasonable efforts to monitor its employees to help avoid them making any such postings. Franchisor retains the right to pre-approve Franchisee's use of linking and framing between the Franchisee's website and all other Websites. The Franchisee shall within five (5) days, dismantle any blogs, frames and links between the Franchisee's web pages and any other Websites, if and as requested by Franchisor. You agree not to register any Internet domain name in any class or category that contains the words Bricks & Minifigs, or any abbreviation, acronym, or variation of those words or any part of our Marks.

C. Notification of Infringement and Claims.

You shall immediately notify the Company of any apparent infringement of or challenge to your use of any Mark, or claim by any person of any rights in any Mark, and you shall not communicate with any person other than the Company and its counsel in connection with any infringement, challenge or claim. The Company and/or Licensor shall have sole discretion to take action as it or they deem appropriate and shall have the right to

exclusively control any litigation or U.S. Patent and Trademark Office proceeding or other administrative proceeding arising out of any infringement, challenge or claim or otherwise relating to any Mark. You must sign any and all instruments and documents, render assistance and do such acts and things as may, in the opinion of the Company's or Licensor's counsel, be necessary or advisable to protect and maintain the interests of the Company and Licensor in any litigation or proceeding or to otherwise protect and maintain the interests of the Company and Licensor in the Marks.

D. Indemnification of Franchisee.

The Company agrees to indemnify you against and to reimburse you for all damages for which you are held liable in any proceeding arising out of his use of any Mark, pursuant to and in compliance with this Agreement and for all costs reasonably incurred by you in the defense of any claim or in any proceeding in which you are named as a party, provided that you have timely notified the Company of this claim or proceeding and have otherwise complied with this Agreement. The Company is entitled to prosecute, defend and/or settle any proceeding arising out of your use of any Mark pursuant to this Agreement, and if the Company undertakes to prosecute, defend and/or settle any matter, we have no obligation to indemnify or reimburse you for any fees or disbursements of any legal counsel retained by you.

E. Discontinuance of use of the Marks.

If it becomes advisable at any time in the Company's sole discretion for the Company and/or Franchisee to modify or discontinue use of any Mark and/or use one or more additional or substitute elements of the Mark due to priority of use by another party of the same or a confusingly similar mark, and/or use one or more additional or substitute trade or service marks, you must comply within 14 days after notice by the Company of its modification or discontinuance of any Mark. Neither the Company, Licensor nor any of their Affiliates shall have any liability or obligation whatsoever with respect to any required modification or discontinuance of use of any of the Marks or the promotion or use of a substitute Mark, except as otherwise provided in Section 6 hereof.

7. YOUR ORGANIZATION AND MANAGEMENT.

A. Organizational Documents.

If you are, or at any time become, a business corporation, partnership, limited liability company or other legal entity, you and each of your Principal Owners represent, warrant, and agree that: (1) you are duly organized and validly existing under the laws of the state of your organization, and, if a foreign business corporation, partnership, limited liability company or other legal entity, you are duly qualified to transact business in the state in which your Store is located; (2) you have the authority to sign and deliver this Agreement and to perform your obligations hereunder; (3) true and complete copies of the articles or certificate of incorporation, articles of organization, operating agreement or principles, partnership agreement, bylaws, subscription agreements, buy-sell agreements, voting trust agreements and all other documents relating to your ownership, organization, capitalization, management and control ("Organizational Documents") shall be promptly delivered to us for our approval, which approval shall not be unreasonably withheld; (4) any and all amendments, deletions and additions to your Organizational Documents shall be promptly delivered to us for our approval, which approval shall not be unreasonably withheld; (5) your activities are restricted to those necessary solely for the development, ownership and operation of Bricks & Minifigs® stores in accordance with this Agreement and in accordance with any other agreements entered into with us or any of our Affiliates; (6) the certificate of incorporation, articles of organization, operating agreement or principles, partnership agreement or other organizational documents recite that the issuance, transfer or pledge of any direct or indirect legal or beneficial ownership interest is restricted by the terms of this Agreement; (7) all certificates representing direct or indirect legal or beneficial ownership interests now or hereafter issued must bear a legend in conformity with applicable law reciting or referring to these restrictions; and (8) you will deliver to us a Secretary/Clerk's Certificate or other evidence satisfactory to us, that the signing, delivery and performance of this Agreement and all other agreements and ancillary documents contemplated hereby or thereby have been duly authorized by all necessary action by your corporation, partnership, limited liability company or other legal entity, as applicable.

B. Disclosure of Ownership.

If Franchisee is an entity (a corporation, general partnership, joint venture, limited partnership, limited liability partnership, limited liability company, trust, estate or other business entity), then Franchisee will complete the Ownership Addendum attached as Exhibit B, which identifies each of its, and each of its Entity Owners must sign the Company's then-current form of Personal Guaranty. **"Entity Owner"** means, with respect to an Entity, any shareholder owning directly or beneficially 10% or more of any class of securities of the Entity; any general partner or co-venturer in the Entity; any partner in a limited liability partnership or member in a limited liability company owning directly or beneficially 10% or more of the ownership interests in the limited liability partnership or limited liability company; the trustees or administrators of any trust or estate; and any beneficiary of a trust or estate owning, directly or beneficially, 10% or more of the interests in the trust or estate. It is the intent of this definition to "trace back" and include within the definition of Entity Owner all natural persons owning the requisite interests to qualify as Entity Owners. Each of you, your Entity Owners, if any, and your and their respective spouses, parents, brothers, sisters, children, whether natural or adopted, and other members of their immediate household, are considered **"Restricted Persons"** as this term is used herein.

You and each of your Principal Owners represent, warrant and agree that Exhibit B is current, complete and accurate. You agree that an updated Exhibit B will be furnished within 30 days of any change, so that Exhibit B (as so revised and signed by you) is at all times current, complete and accurate. Each person who is or becomes a Principal Owner must sign a guaranty in the form we may choose to prescribe, undertaking to be jointly and severally bound by the terms of this Agreement, the current form of which is attached as Exhibit C. Each person who is or becomes an Owner, but not a Principal Owner, must sign an agreement in the form we prescribe, undertaking to be bound by the confidentiality and non-competition covenants contained in this Agreement, the current form of which is attached as Exhibit E. Each Owner must be an individual acting in his/her individual capacity, unless we waive this requirement.

C. Operating Partner/Management of Business.

If you are, or at any time become, a business corporation, partnership, limited liability company or other legal entity, you must designate in Exhibit B as the "Operating Partner" an individual approved by us who must: (1) in our discretion, own and control, or have the right to own and control (subject to terms and conditions reasonably acceptable to us), not less than a 10% interest in your equity; (2) have the authority to bind you regarding all operational decisions with respect to your Bricks & Minifigs® stores; and (3) have completed our training to our satisfaction.

You (or your Operating Partner): (1) shall exert your full-time and best efforts to the development and operation of your Store and all other Bricks & Minifigs® stores you own; and (2) may not engage in any other business activity, directly or indirectly, that requires substantial management responsibility or time commitments or otherwise may conflict with your obligations hereunder.

D. General Manager.

An essential element of the Store is the selection, training, and overall performance of our store managers. Optimum General Manager performance requires specialized Store leadership in the form of a duly trained store manager (we provide the appropriate training). To ensure the integrity and quality of our Store, the store manager must be on-site during business hours. We may periodically change the organizational structure of the Store, in which case you must adopt the then-current structure.

Once you hire your General Manager you must inform us in writing and submit them for the appropriate training. If your Store General Manager is terminated, for whatever reason, you shall inform us in writing of their status. Before their employment, you must have them sign an agreement that they shall not for a period of two years after this termination, recruit or hire any person who is an employee of yours, ours, or any Bricks &

Minifigs® stores operated by us, our Affiliates, or any franchisee of ours without obtaining the employer's consent, which consent may be withheld for any reason.

8. BRICKS & MINIFIGS® OPERATING STANDARDS.

A. Condition of your Store.

You must maintain the condition and appearance of your Store in strict compliance with the Operations Manual. You must maintain your Store's condition and appearance and make modifications and additions to its layout, décor, operations, and general theme as we periodically require, including interior and exterior repair and appurtenant parking areas, periodic cleaning of your Store, replacement of worn out or obsolete leasehold improvements, fixtures and signs and periodic redecorating. If at any time the general state of repair, appearance, or cleanliness of your Store, or its fixtures, equipment, furniture or signs, does not meet our standards, we may notify you and specify the action you must take to correct this deficiency. If, within 10 days after receiving this notice, you fail or refuse to initiate the requested action(s), we reserve the right to enter the Store and do this maintenance on your behalf and at your expense. You must promptly reimburse us for this expense. We may collect payment for this expense by pre-authorized electronic bank transfer from your general account.

At our request, you must complete any renovation, repair, modernization, and improvement of your Store and its fixtures, equipment, furniture, and signs, as we may deem appropriate. This work may include, without limitation, replacement or addition of signs, equipment, furnishings, fixtures, finishes, and décor items, both interior and exterior, and redesign of the layout of your Store, to reflect the then-current design standards and look of a Bricks & Minifigs® store.

You agree not to make any material replacements of or alterations to the Accepted Location, leasehold improvements, layout, fixtures, furnishings, signs, equipment, or appearance of the Store as originally developed in accordance with the plans and specifications furnished by us without prior written approval by us. Regular maintenance, touch up, and general repair may be conducted without prior authorization from us unless the effort to do so require a substantial change in the appearance and/or reduce the functionality of said item.

B. Uniform Image.

You must display in your Store all the advertising and marketing materials we provide you pursuant to Section 10. Your Store may not be used for any purpose, other than the operation of a Bricks & Minifigs® store in compliance with this Agreement. You agree that your Store will offer courteous and efficient service and a pleasant and fun experience. You must maintain your Store's business hours and days of operation in accordance with the Operations Manual, unless we grant you a written exception.

C. Services, Products and Vendors.

You acknowledge and agree that the reputation and goodwill of Bricks & Minifigs® stores are based on, and can be maintained only by providing a high quality, courteous, safe and fun experience. Therefore, you agree that your Store will use and/or offer only services, products and merchandise, as set forth in the Operations Manual or as otherwise approved by us and as may be periodically modified by us in our sole discretion

Franchise further acknowledges that we have spent considerable time and effort in developing the Products, Services, processes, methods and technology used in the operation of a Bricks & Minifigs® Business. Accordingly, Franchisee acknowledges that Franchisee is required to sell and use only approved Products, supplies, vendors and suppliers that include, but is not limited to: new and used LEGO® building bricks, LEGO® mini figures and accessories, new LEGO® play sets, pre-approved non-LEGO® branded and LEGO® compatible products apparel, LEGO® event and/or season specific merchandise, promotional and advertising materials in addition to supplies (such as packaging materials) for the operation of the Store. Franchisee is prohibited from selling any non-LEGO® branded products or LEGO® compatible branded products not approved by us. Franchisor will provide Franchisee with a list of all pre-approved non-LEGO® branded and LEGO® compatible

products that Franchisee is authorized to offer and sell in its Store. Franchisee agrees that we may periodically and upon written notice, add to, modify or change such approved products, supplies, vendors and suppliers. Franchisee agrees to promptly accept and implement, in the operation of the Store, all such additions, modifications and changes at Franchisees expense. In addition, Franchisee acknowledges that:

1. To insure the consistent high quality and uniformity of Products and Services provided by Bricks & Minifigs® franchised businesses, Franchisee must purchase Products, supplies, POS systems, computers, software, cash registers, camera and security systems, marketing and advertising materials for use in the operation of a Bricks & Minifigs®, from Franchisor, its affiliates or approved vendors who demonstrate to Franchisor's continuing satisfaction an ability to meet Franchisor's standards and specifications. The exception to the above is that because of the nature of the re-sale industry, most all Products that need to be purchased for the Store will be from various sources and Franchisee is responsible for identifying such sources, however Franchisor may make arrangements with vendors for certain Products at negotiated costs that would ultimately benefit the entire System. Franchisor is not liable to Franchisee for any loss or damage, or deemed to be in breach of this Agreement, if Franchisor, or its affiliates or approved vendors and/or suppliers cannot deliver, or case to be delivered, Franchisee's order of Products, supplies or equipment where such items are out-of-stock or discontinued.

2. Franchisee is prohibited from carrying more than ten percent (10%) of all items offered for sale in its Store (including in its inventory of Products on the premises) to be non-LEGO® branded products (from Franchisor's approved list), at all times. Franchisor will provide Franchisee with a list of approved non-LEGO® branded products and LEGO® compatible products during the initial training program (Section 5).

3. THE FRANCHISOR MAKES NO WARRANTIES REGARDING ANY VENDOR PRODUCTS OR SUPPLIES, AND HEREBY DISCLAIMS THE IMPLIED WARRANTY OF MERCHANTABILITY, THE IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, THE IMPLIED WARRANTY OF QUALITY OF COMPUTER PROGRAMS, THE IMPLIED WARRANTY OF SYSTEM INTEGRATION, AND THE IMPLIED WARRANTY OF INFORMATION CONTENT. FRANCHISOR MAKES NO WARRANTY THAT ANY VENDOR PROVIDED SORTWARE WILL BE BUG FREE, VIRUS GFREE, OR FREE OF TROHAN HORSES OR WORMS. FRANCHISOR MAKES NO WARRANTIES REGARDING ANY OPEN SOURCE SOFTWARE CONTAINED IN ANY VENDOR PRODUCTS OR SUPPLIES. FRANCHISEE HEREBY AGREES THAT SUCH DISCLAIMER IS AN ESSENTIAL PART OF THE BARGAIN, AND THAT THE FRANCHISOR WOULD NOT HAVE ENTERED INTO THIS TRANSACTION ABSENT SUCH DISCLAIMER. Any claim with respect to any vendor related and/or similar matters shall be made only against the vendor in question. Franchisee will provide us with written notice prior to taking any action in connection with such a claim. Franchisor will use diligent efforts to assist Franchisees in resolving any disputes with vendors approved and/or designated by us.

4. Franchisee may be required to use and/or offer for sale any and all branded merchandise or Proprietary Products developed by Franchisor, which will be listed in the Operations Manual. +The term **"Proprietary Products"** is defined as all products, services, supplies, equipment, marketing materials and BAM branded products that have been developed or adopted for specific use for the Bricks & Minifigs brand and system. All products and services of proprietary nature also include all products, services, supplies, equipment, marketing materials and BAM branded products that must be purchased by the Franchisee directly from Franchisor or Franchisor's approved vendors, unless the Franchisee has submitted and received written approval from Franchisor to use an alternate supplier.

5. Franchisee shall not make any changes to the Proprietary Products or any third party products including changing the containers, packaging, labeling, promotional materials, advertising, cartons or the like without Franchisor's prior written approval, which may be withheld in the sole discretion of the Franchisor or manufacturer.

6. Franchisee may not independently act as an exclusive distributor for any third party vendor or secure any exclusive rights to distribute Products and/or Proprietary Products inside or outside of Franchisee's Territory without Franchisor's written consent. Franchisor shall approve or deny Franchisee's request which approval is in its sole discretion, within thirty (30) days of receipt of Franchisee's wr-itten request.

7. Franchisee shall not manufacture or produce any product that is similar to, or competes with any of Franchisor's Product, Proprietary Products or third party product, or any product offered or sold in supply stores, retail stores or in any channel of distribution selling similar products without the advanced written consent of the Franchisor or manufacturer, which may be granted or denied in Franchisor's or the manufacturer's sole discretion. Violation of this Section shall be grounds for immediate termination as specified in this Agreement.

We may conduct market research to determine consumer trends and salability of new services and products. You must cooperate by participating in our market research programs; by test marketing new products and services in your Store and providing us timely reports and other relevant information regarding this market research.

D. Specifications and Standards.

You acknowledge that each and every aspect of the interior and exterior appearance, layout, décor, services and operation of your Store is important to us and is subject to our specifications and standards. Consequently, you must comply with all mandatory System Standards and other specifications, standards and operating procedures and other obligations that we periodically prescribe (whether contained in the Operations Manual or any other written or oral communication to you), unless we grant you a written exception.

More particularly, you must comply with all mandatory specifications, standards and operating procedures, as periodically modified relating to the appearance, function, cleanliness or operation of a Bricks & Minifigs® stores, including: (1) customer service; (2) advertising and promotional programs; ((3) safety, maintenance, appearance, cleanliness, sanitation, standards of service and operation of your Store and its fixtures, equipment, furnishings, décor and signs; (5) days and hours of operation; (6) bookkeeping, accounting, and record keeping systems and forms; and (7) training system for both management and hourly associates.

You must display at your Store a placard of the size and dimension we prescribe containing the following statement: "This Store is owned and operated by a franchisee under a license from BAM Franchising, Inc., the Franchisor." You shall never make a statement or representation to any person that is contrary to or inconsistent with this Agreement.

As soon as you obtain a telephone number for the Store, you will sign and deliver to us the Assignment of Telephone Number(s) for the number(s) attached at Exhibit H. If your Store's telephone number changes during the Term, or if you add additional lines for a modem, fax, or other purposes, you will promptly sign and deliver to us a new Assignment of Telephone Number(s) for the new or additional number(s).

E. Point of Sale and Proprietary Software

Although not currently in effect, Franchisee may be required to use our proprietary software for the operation of the Store. If Franchisor develops proprietary software and requires Franchisee to use such software, Franchisor will provide Franchisee with a ninety (90) day written notice to purchase (if applicable) and use such

software for the operation of the Store. Franchisor will provide all update and upgrade requirements for the proprietary software as necessary. The installation, maintenance, repairs and upgrade costs for the proprietary software will be the responsibility of the Franchisee. Usage of any proprietary software ("**Software**"), if developed, will be subject to a separate Software license Agreement which agreement Franchisee agrees to execute.

F. Compliance with Laws and Good Business Practices.

You shall secure and maintain in force all required licenses, permits and certificates relating to the operation of the Store (including any certifications and licenses) and shall operate the Store in full compliance with all applicable laws, ordinances and regulations including all government regulations relating to occupational hazards and health, workers compensation insurance, unemployment insurance and withholding and payment of federal and state income taxes, social security taxes and sales taxes. You must refrain from any business or advertising practice which may be injurious to the Company and the goodwill associated with the Marks and other Bricks & Minifigs® stores. You shall immediately notify the Company in writing of: (1) any action, suit or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency other governmental instrumentality, which may adversely affect the development, occupancy, operation or financial condition of Franchisee or the Store; or (2) the delivery of any notice of violation or alleged violation of any law, ordinance or regulation, including those relating to health or sanitation at your Store.

G. Personnel.

Your Store must at all times be under the direct, on-location supervision of a Store Manager or assistant manager who has completed our training program. You (or your Operating Partner) at all times must remain active in overseeing the operations of your Store. If the relationship with your Operating Partner terminates, you must promptly hire a successor Operating Partner. Any successor Operating Partner must meet our approval and must successfully complete our training program. You may not recruit or hire any person who is an employee of ours or of any Bricks & Minifigs® stores operated by us, our Affiliates or another franchisee of ours without obtaining the employer's consent, which consent may be withheld for any reason. Likewise, we may not recruit or hire any person who is an employee of yours or your Affiliates without obtaining the employer's consent, which consent may be withheld for any reason.

H. Insurance.

Franchisee must purchase insurance coverage from a carrier with a performance rating of A or higher as rated in the most recent edition of Best Insurance Reports (or comparable criteria as we may specify). Franchisee must maintain such insurance throughout the duration of the initial term of the Franchise Agreement and any renewal terms. Franchisee will procure and maintain general comprehensive liability insurance with a minimum policy limit of $1,000,000 per occurrence and $2,000,000 aggregate (this policy should include general tort, premises damages, personal and advertising injury should be at least $1,000,000) in addition to property and casualty insurance with a minimum policy limit of $1,000,000 or an amount specified by the Franchisor.

Franchisee must also procure and maintain "All Risks" or "Special Form" insurance (coverage for the full cost of replacement of the premises and all other property) in addition to business interruption insurance to fully insure loss of earnings for a period of one-hundred and eighty (180) days or longer as may specify and statutory workers' compensation insurance with limits of greater than $100,000 or the minimum limits required by law.

For any construction, renovation, refurbishment or remodeling of the site, Franchisee must require that the general contractor maintain, with an approved insurer, commercial general liability insurance (with comprehensive automobile liability coverage for both owned and non-owned vehicles, builders risk, product liability and independent contractor's coverage) with limits of no less than $1,000,000 per claim, naming Franchisee and us as additional insureds, as their interests may appear, together with workers' compensation and

employer's liability insurance as required by law and as required by the lease. It is Franchisee's responsibility to obtain certificates of insurance from the contractor prior to the initiation of any construction.

To the extent available, Franchisor may require Franchisee to acquire automobile liability insurance with coverage of owned and hired vehicles with minimum coverage in amounts not less than $1,000,000 combined single limit (bodily and property damage) or what is in accordance with Franchisee's state guidelines), professional liability insurance, product liability insurance, employer's liability insurance, crime insurance as well as other disability benefits type insurance as may be required by the statute or rule of each State, with policy limits of $1,000,000 or in the amount Franchisor specifies.

All insurance policies will name Franchisor as certificate holder and additional named insured with waiver of subrogation against Franchisor. Franchisor may establish minimum standards for coverage to be met by underwriters for insurance. Before beginning operations, Franchisee will obtain any other liability insurance required by law, provide Franchisor with certificates of insurance within ten (10) days of issuance, and maintain all required insurance during the term of this Agreement. Franchisee shall also furnish Franchisor with certificates and endorsements evidencing insurance coverage within ten (10) days after each of the following events (i) at all policy renewal periods, no less often than annually and (ii) at all instances of any change to, addition to or replacement of any insurance. Lapses, alterations, or cancellations require immediate notice to Franchisor and shall, in Franchisor's sole discretion, be deemed an immediate material breach of this Agreement as set forth in Section 14. If Franchisee fails to obtain the required insurance and to keep the same in full force and effect, Franchisor may, but shall not be obligated to, pay the premiums or acquire insurance, and bill Franchisee. Franchisee shall reimburse Franchisor for the full cost of such insurance, along with a reasonable service charge to compensate Franchisor for the time and effort expended to secure such insurance. Franchisor may change these insurance requirements on reasonable notice to Franchisee.

Franchisee's insurance will cover all claims for injury, damage and death or otherwise, arising directly or indirectly out of the franchised business.

Franchisee shall notify Franchisor immediately in writing of any event that could materially affect Franchisee or the franchised business, and no later than the date on which Franchisee notifies its insurance carrier.

Franchisor makes no representation or warranty to Franchisee that the amount of insurance to be carried by Franchisee under the terms of this Agreement is adequate to fully protect Franchisee's interest. If Franchisee believes that the amount of any such insurance is insufficient, Franchisee is encouraged to obtain, at its sole cost and expense, such additional insurance as it may deem desirable or adequate. Franchisee acknowledges that Franchisor shall not, by the fact of approving, disapproving, waiving, accepting, or obtaining any insurance, incur any liability for, or with respect to, the amount of insurance carried, the form or legal sufficiency of such insurance, the solvency of any insurance companies or the payment or defense of any lawsuit in connection with such insurance coverage, and Franchisee hereby expressly assumes full responsibility therefore and all liability, if any, with respect thereto.

Franchisee's compliance with insurance requires shall not relieve Franchisee of its liability under the indemnity provisions of this agreement, Section 16. Obligations to maintain insurance coverage will not be affected by reason of any separate insurance maintained by us, nor will the maintenance of such insurance relieve Franchisee of any obligations under this agreement.

Franchisee shall also acquire tenant's liability insurance (if applicable); any other insurance required by the state or locality in which the Store is located and operation, in such amounts as required by statute; and other insurance coverage, as we or the landlord may reasonably require.

I. Provisions Concerning Compliance with Anti-Terrorism Laws.

You, your Owners and your Affiliates agree to comply with and/or to assist us to the fullest extent possible in our efforts to comply with Anti-Terrorism Laws (as defined below). In connection with this compliance, you, your Owners and your Affiliates certify, represent, and warrant that none of your property or interests is subject to being "blocked" under any of the Anti-Terrorism Laws and that you, your Owners, and your Affiliates are not otherwise in violation of any of the Anti-Terrorism Laws.

For the purposes of this Section, "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists and any other requirements of any Governmental Authority (including the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

You, your Owners and your Affiliates certify that none of you, your Owners and your Affiliates, your employees, or anyone associated with you is included on the lists to Executive Order 13224. You agree not to hire any individual who is listed in any such list. (The list is available at http://www.treasury.gov/resource-center/sanctions).

You, your Owners, and your Affiliates certify that you have no knowledge or information that, if generally known, would result in you, your Owners and your Affiliates, your employees, or anyone associated with you to be listed in the Annex to Executive Order 13224.

You, your Owners, and your Affiliates are solely responsible for ascertaining what actions must be taken by you to comply with the Anti-Terrorism Laws, and you specifically acknowledge and agree that your indemnification responsibilities set forth in Section 16.B of this Agreement pertain to your obligations under this Section.

Any misrepresentation by you under this Section or any violation of the Anti-Terrorism Laws by you, your Owners and your Affiliates, or your employees shall constitute grounds for immediate termination of this Agreement and any other Agreement you have entered with us or one of our Affiliates, in accordance with the terms of Section 14.A of this Agreement.

J. Photo/video release.

Franchisee acknowledges and authorizes Franchisor to use its likeness in a photograph in any and all of Franchisor's publications, including printed and digital publications and on websites. Franchisee agrees and understands that any photograph or video using Franchisee's likeness will become Franchisor's property and will not be returned. Franchisee agrees and irrevocably authorizes Franchisor to edit, alter, copy, exhibit, publish or distribute any photograph of Franchisee for any lawful purpose. Franchisee agrees and waives any right to royalties or any other compensation related to Franchisor's use of any photograph or video of Franchisee. Franchisee agrees to hold harmless and forever discharge Franchisor from all claims, demands, and causes of action which Franchisee may have in connection with this authorization.

9. RESTRICTIVE COVENANTS.

A. Confidential Information.

Franchisee acknowledges that it will obtain knowledge of proprietary matters, methods, techniques and business procedures of Franchisor that are necessary and essential to the operation of the Franchise, without which Franchisee could not effectively and efficiently operate such business, including, without limitation, knowledge

regarding the System, distinctive products, vendor and supplier relationships, promotional programs, build-out specifications, decor and signage, POS system, software, advertising and marketing materials, customer service standards and business strategies necessary for the operation of the Store and the Operations Manual. Franchisee further acknowledges that all Confidential Information was not known to Franchisee prior to execution of this Agreement and that the methods of Franchisor are unique and novel to the System. Franchisee acknowledges that Confidential Information shall also include, but not limited to:

1. Any person or entity, which has, been or become Franchisees of the System and any investors therein;

2. Any person or entity which has, have been or becomes customers of the Bricks & Minifigs® store;

3. The terms of and negotiations relating to past or current Franchise Agreements with respect to the System;

4. The operating procedures of the System, including without limitation: purchasing strategies, merchandising techniques and methods, safety procedures, usage of software, cost and pricing strategies, product knowledge and specifications, inventory management and tracking of Products and supplies, contracts, forms and waivers; bookkeeping, financing and accounting systems and procedures, advertising, promotional and marketing methods, standards for hiring staff, training procedures, the manufacturers and lists of vendors and suppliers;

5. The economic and financial characteristics of the System and franchisees, including without limitation: pricing policies, revenues, sales, training, profitability, earnings and losses and capital and debt structures;

6. The Products and Services offered to customers of a Bricks & Minifigs® store, including, without limitation, the scope of services performed and services refused; and

7. All documentation of the information listed in Sections 9.A, including, without limitation, our training program and Operations Manual. During the term of this Agreement and at any time following the expiration or termination of this Agreement, Franchisee agrees not to divulge, directly or indirectly, any Confidential Information, without the prior written consent of Franchisor. Nothing contained herein shall be construed so as to require Franchisee to divulge any secret processes, techniques, formulas, or the like (collectively, the "Confidential Information"). Confidential Information will also include anything we designate as Confidential.

During the Term and thereafter: (1) you may not use the Confidential Information in any other business or capacity (you acknowledge this use is an unfair method of competition); (2) you must maintain the confidentiality of the Confidential Information; (3) you may not make unauthorized copies of any portion of the Confidential Information disclosed in written, electronic, or other form; (4) you must implement all reasonable procedures we periodically prescribe to prevent unauthorized use or disclosure of the Confidential Information, including the use of non-disclosure/non-compete agreements with your Owners, officers, directors, Operating Partners, Store managers, assistant managers, associates, and the like, and you and your Owners must deliver these agreements to us; (5) you must not disclose during or after the Term of the Franchise Agreement any of the Confidential Information; and (6) you acknowledge that we have no obligation to reimburse you or provide any remuneration for implementing all reasonable procedures that we periodically prescribe to prevent unauthorized use or disclosure of the Confidential Information.

Franchise further acknowledges that former Bricks & Minifigs franchises (those whose Franchise Agreements have expired or been terminated) are no longer permitted to have access to or knowledge of any

Confidential Information and that approved attention must be found by Franchisee to not continue to discuss or share any Confidential Information with such former franchises.

B. In-Term Covenants.

You agree (and agree to cause any Entity Owner if Franchisee is an Entity, and each other Restricted Person), during the term of this Agreement, not to have any direct or indirect interest in a Competitive Business, or perform services of any type as an owner, director, officer, employee, consultant, representative or agent, or in any other capacity, in any business in which Lego® only brand products constitutes more than 20% of its revenues or any franchisor or licensor of the same (each a **"Competitive Business"**). The restrictions of this Section and the definition of Competitive Business will not apply to: (1) the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market that represent two percent (2%) or less of the number of shares of that class of securities issued and outstanding; or (2) the ownership or operation of other Bricks & Minifigs® stores that are licensed or franchised by us or any of our Affiliates. Further, you agree during the term of this Agreement that you shall not hire any employee who, within the immediately preceding six months, was employed by the Company or any other franchisee or licensee of us, without obtaining the prior written permission of us or the franchisee or licensee pursuant to this Agreement.

10. MARKETING AND ADVERTISING.

A. Local Marketing Fund (LMF).

You must spend for local advertising and promoting your Store those amounts we periodically establish,. Currently, that amount is a minimum of 47% of Franchisee's Monthly Gross Revenue each month. The amount spent on local advertising and promotion will be designated as Local Marketing Funds ("**LMF**"). At our request, you shall furnish us with copies of invoices and other documentation evidencing your compliance with this Section 10A. If we determine, at some later date, that you have spent an amount less than 47% of Gross Revenue, we may collect the LMF contribution directly. If we change the amount of LMF you must spend, we shall provide you with not less than 30 days notice of said change. The LMF monies will be used to pay for the cost of implementing local marketing plans developed by you and approved by us. For these purposes, qualifying LMF expenditures include: (i) amounts contributed to advertising associations; (ii) amounts spent for grand opening advertising and promotional programs pursuant to Section 4.E; and (iii) amounts spent by you for advertising media, such as television, radio, Internet, newspaper, billboards, posters, direct mail, collateral and promotional items, and advertising on public vehicles (transit and aerial) and, (iv) if not provided by us, the cost of producing approved materials necessary to participate in these media.

B. National Marketing Fund (NMF).

In addition to the advertising and promotional expenditures and/or contributions required by Section 10.A hereof, you shall contribute to a national marketing fund ("**NMF**") equal to a flat $50 per month stating in Franchisee's first fall month of store operations. The LMF is not required during the first partial month during which you operate your Store. LMF can be increased by us and such increase will not exceed more than $15 per month in any calendar year.

The LMF continuation to be received by the Franchisor on or before the 10th day of each month for the prior month. The LMF will be used for ongoing technology and new product development, and such national advertising or public relations programs as we, in our sole discretion, may deem appropriate to promote the Bricks & Minifigs Brand. The LMF may also be used for local Franchisee group advertising or marking and Franchisee advisory council expenses; local, regional, national or international advertising or marketing; administration of advertising and marketing (including salaries, accounting, collection, legal and other costs), related expenses and any media or agency costs. We will direct all such programs, and will have sole discretion over the creative concepts, materials, endorsements and media used in such programs, and the placement or allocation of such programs. We reserve the right to determine in our sole discretion the composition of all geographic territories

and market areas for the implementation and development of such programs. Stores owned or operated by Franchisor will contribute to the same basis to the fund.

We may spend, on behalf of the LMF, in any fiscal year an amount greater or less than the aggregate contribution of Bricks & Minifigs® franchisees in that year, and the LMF may borrow from us or others to cover deficits or invest nay surplus for future use. Any LMF contributions not used in the fiscal year in which they were contributed will be applied and used for advertising and marketing expenses in the following year(s).

C. Advertising Approvals and Initial Advertising Costs.

You acknowledge that all advertising and promotional materials will be sourced solely through us. You must submit to us for our prior approval a marketing plan and samples of all advertising and promotional materials not prepared or previously approved by us and which vary from our standard advertising and promotional materials by following the procedures that are in place at the time of submittal. If you elect to work with a marketing firm (including an advertising agency or public relations firm), you must obtain our written approval of this marketing firm and this marketing firm must sign a Bricks & Minifigs® approved confidentiality agreement before you sign any contracts or share any Confidential Information with this marketing firm. This marketing firm or agency shall not, under any circumstances, be given access to any of our proprietary limited access intranet (including the Franchise Website), sites or any other information we deem inappropriate. You may not use any advertising or promotional materials that we have not approved.

D. Franchisee Websites.

You may not promote, offer, or sell any products or services relating to your Store, or use any of the Marks, through the Internet without our consent. You agree not to register any Internet domain name in any class or category that contains the words Bricks & Minifigs® or any other words contained in our Marks or any abbreviation, acronym, or variation of those words without our written approval. Also, you agree to not use any email address or alias that contains the words Bricks & Minifigs® or any other words contained in our Marks or any abbreviation, acronym, or variation of those words except those we have authorized.

E. Bricks & Minifigs® Website; Franchisee Portals; Social Media.

We have established and plan to maintain the Bricks & Minifigs® Website (the "Website") to provide information about Bricks & Minifigs®, the Franchise, and the products and services that Store offer. Also, we will have control over the Bricks & Minifigs® Website's design and contents. We will have no obligation to maintain the Website indefinitely, and may dismantle it at any time. We have the right to modify or discontinue the Website or any of its functions if we determine that it becomes advisable at any time. We will have no liability or obligation whatsoever with respect to any required modification or discontinuance of the Website. Also, we are not obligated to reimburse you for any loss of goodwill associated with any modification or discontinuance of the Website. We may include pages on the Website that identify participating Stores by address and telephone number. We are the sole owners of and reserve the rights to access and use the customer information collected through the Bricks & Minifigs® Website. You will not have the capability or the right to modify the Website.

We have established and plan to maintain the Bricks & Minifigs® Intranet through which members of the Bricks & Minifigs® System may communicate with each other and through which we may disseminate updates to the Operations Manual and other confidential information.

Franchisee recognizes that one of our primary methods of communication with Franchisees is through The Intranet. Franchisee is responsible for knowing all the information contained on the Intranet and complying with any standards and specifications provided within them. We may establish, change, and update the Operations Manual through the Intranet.

We will have no obligation to maintain the Intranet indefinitely and may dismantle it at any time. We will have no liability or obligation whatsoever with respect to any required modification or discontinuance of the Intranet. Also, we are not obligated to reimburse you for any loss of goodwill associated with any modification or discontinuance of the Intranet. We may include pages on the Intranet that identify participating Franchisees, general managers, and vendors by address, telephone number, and email address. You will not have the capability or the right to modify the Intranet. We are the sole owners of and reserve the rights to access and use the customer information collected through the Intranet.

Access to the Intranet by your employees should be strictly limited. You acknowledge that you are responsible for all product orders placed by employees through the Intranet and agree to reimburse us for any and all unpaid purchases made through the Intranet by your Store.

We may require you to purchase and install necessary hardware, software, and other necessary additions to your computer system and to establish and continually maintain connection with the Intranet that allows us to send messages to and receive messages from you. Your obligations to maintain connection with the Intranet will continue until the Franchise Agreement's expiration or termination (or, if earlier, until we dismantle the Intranet).

If you default under this Agreement, fail to pay any and all amounts due and payable to us or our Affiliates, or fail to comply with any other provision of this Agreement, we may remove information about your Store from the Intranet, until such time as you pay your outstanding obligation in full or cure this default or we may temporarily suspend your access to any message board, directory, online shopping catalog, or other features the Intranet includes until such time as you fully cure the default. You must reimburse us for any and all purchases made through the Intranet by your Store. You acknowledge that you are responsible for all product orders placed by employees through the Intranet.

We will manage all social media relating to Bricks & Minifigs, as set forth in the Operating Manual. We reserve the right to charge you a pro rata fee in the future for the management of such social media.

11. RECORDS, REPORTS, AND FINANCIAL STATEMENTS.

A. Reports, Records and Bookkeeping.

You must establish and maintain a bookkeeping, accounting, record keeping and data processing system conforming to the requirements and formats that we prescribe and as set forth in the Operations Manual. You must prepare and maintain three years' complete and accurate books, records, (including invoices and records relating to your advertising expenditures) and accounts for your Store, copies of your sales tax returns and these portions of your state and federal income tax returns, daily cash reports, cash receipts journal and general ledger, cash disbursements journal and weekly payroll register, monthly bank statements and daily deposit slips and canceled checks, supplier invoices, dated cash register tapes (detail and summary), semi-annual balance sheets and monthly profit and loss statements, records of all corporate accounts, and such other records as we deem appropriate as related to your Store. All these books and records shall be kept at your principal address indicated on the first page of this Agreement, unless we otherwise approve. You acknowledge that we may require you to furnish these records to us.

You must furnish to us reports relating to your Store by the delivery method and in a form and content as we have the right to periodically prescribe. In addition, you must furnish us periodic reports, which may include but are not limited to, the following:

(i) Gross Revenue Reports. Monthly reports of Gross Revenues due at the same time that Royalty Fees are due;

(ii) Monthly Financial Reports. Within 15 days after the end of calendar month, a profit and loss statement for your Store for the previous month and a year-to-date statement of financial condition as of the end of the previous month;

(iii) Quarterly Reports. Within 30 days after the end of calendar quarter, a quarterly balance sheet and income statement and statement of cash flow of your Store for such quarter, reflecting any adjustments and accruals;

(iv) Annual Reports. Within 90 days after the end of each calendar year, (1) a year-end balance sheet and income statement and statement of cash flow for you and all of your Affiliates that develop, own or operate Bricks & Minifigs® stores, all prepared in accordance with generally accepted accounting principles, consistently applied, reflecting all year-end adjustments and accrual; (2) similar information from all Entity Owners who have signed guarantees of this Agreement; and (3) these summaries of financial information as we may require;

(v) Tax Returns. Within 10 days after the returns are filed, exact copies of federal and state income, sales and any other tax returns and the other forms, records, books and other information pertaining to the Store as we have the right to periodically require;

(vi) Other Reports. Within 30 days of our request, such other information as we may periodically require, including sales and income tax statements and a consolidated Business Plan for all Bricks & Minifigs® stores that you and your Affiliates own or operate.

All accounting and other reports shall use our then-current standard chart of accounts and standard accounting methodologies and practices as outlined in the Operations Manual. Each report and financial statement will be signed and verified by you in the manner we specify. We reserve the right to publish or disclose information that we obtain under this Section in any data compilations, collections, or aggregations that we deem appropriate, in our sole discretion, including financial information relating to your individual Store. We also have the right to require your financial statements be audited, at your expense, by an independent certified public accountant approved by us. We have the right to determine the format and manner of submission of each report. In addition, we have the right to charge you a late fee for each delinquent report due to us, as further described above. Also, we have the right, but not the obligation, to provide you with analytical and comparative Store performance reports. The data we use to generate these reports are aggregated directly from information provided by franchise owners and third-party sources. You acknowledge that we do not warrant the reliance on the figures in these reports for your Store.

12. THE COMPANY'S RIGHT TO INSPECT THE STORE; AUDITS.

A. Inspections.

To determine whether you are complying with this Agreement and with all System Standards and whether your Store is in compliance with the terms of this Agreement, we and our designated agents have the right to, at any reasonable time and without prior notice to you:

(i) Inspect the Accepted Location and the Store;

(ii) Observe, photograph and video tape your Store's operations for consecutive or intermittent periods as we deem necessary;

(iii) Remove samples of any products, materials or supplies for testing and analysis;

(iv) Interview personnel and customers of your Store; and

(v) Inspect and copy any books, records and documents relating to the operation of your Store.

You must cooperate fully with us in connection with any of our inspections, observations, photographing, videotaping, product removal and interviews. You also must cooperate fully with our representatives and independent accountants conducting audits.

You shall maintain readily available for inspection by the Company, and shall furnish to the Company upon its request, at these locations as the Company may reasonably request (including the Company's office), exact copies of all books and records, tax returns and documents relating to the development, ownership, lease, occupancy or operation of your Store and of any corporation or partnership that holds the Franchise and shall afford the Company (and its agents), at any time during business hours, and without prior notice to you, full and free access to these books and records at the Store. The Company (and its agents) shall have the right to make extracts from, and copies of, and to audit, or cause to be audited, these books and records and shall have the right to communicate freely with Store employees. You shall fully cooperate with representatives of the Company and independent accountants hired by the Company to conduct any inspection or audit. In the event any inspection or audit shall disclose an understatement of the Gross Revenues of the Store, you shall pay to the Company, within seven days after receipt of the inspection or audit report, the royalty and service fee and any advertising contributions due on the amount of this understatement, plus interest (at the rate and on the terms provided in Section 3) from the date originally due until the date of payment. Further, in the event this inspection or audit is made necessary by the failure of you to furnish reports, supporting records or other information, as herein required, or to furnish these reports, records or information on a timely basis, or if an understatement of Gross Revenues for the period of any inspection or audit (which shall not be for less than three months) is determined by any inspection or audit to be greater than three percent (3%), you shall reimburse the Company for the cost of this inspection or audit, including the charges of any attorneys, independent accountants and the travel expenses, room and board and compensation of employees of the Company. The foregoing remedies shall be in addition to all other remedies and rights of the Company under this Agreement or under applicable law.

13. TRANSFERS / ASSIGNMENT.

A. Transfers/Assignments By Us.

This Agreement is fully transferable and/or assignable by us and will inure to the benefit of any transferee or assignee or other legal successor to our interest in this Agreement.

B. Restrictions on Transfers By You.

Your rights and duties created by this Agreement are personal to you, or, if you are a business corporation, partnership, limited liability company or other legal entity, your Entity Owners. We have granted this Agreement to you in reliance upon our perceptions of the individual or collective character, skill, aptitude, attitude, business ability and financial capacity of you and, if you are not an individual, your Entity Owners. Accordingly, no Transfer will be made without our prior written approval. Any Transfer without our approval will constitute a breach of this Agreement and will be void and of no effect. **"Transfer"** is defined, for purposes of this Agreement, as the voluntary or involuntary, direct or indirect transfer, assignment, sale, gift, pledge, mortgage, hypothecation or other disposition (including those occurring by operation of law and a series of transfers that in the aggregate constitute a Transfer) of any of your interest in this Agreement or of a Controlling Interest in you. **"Controlling Interest"** means an interest, the ownership of which empowers the holder to exercise a controlling influence over the management, policies or personnel of an Entity. Ownership of 10% or more of the equity or voting securities of a corporation, limited liability company or limited liability partnership or ownership of any general partnership interest in a general or limited partnership will be deemed conclusively to constitute a Controlling Interest in the corporation, limited liability company, or partnership, as the case may be.

C. Conditions for Approval of Transfers By You.

If we have not exercised our right of first refusal and if you are in full compliance with this Agreement, we will not unreasonably withhold our approval of a Transfer that meets all of the following requirements:

(i) Qualification of Transferee. The proposed transferee and the individuals ultimately owning the transferee, if the transferee is an Entity, must meet our then-applicable standards for owners of Bricks & Minifigs® stores and have sufficient business experience, aptitude and financial resources to operate its business and comply with this Agreement. Also, the transferee must provide us on a timely basis all information we request;

(ii) Training. The transferee (or its operating partner) and its managers and assistant managers must have completed our initial training program or must be currently certified by us to operate and/or manage a Bricks & Minifigs® stores to our satisfaction;

(iii) Satisfaction of Obligations. You have paid all amounts owed for purchases by you from us and our Affiliates and all other amounts owed to us or our Affiliates and third-party creditors;

(iv) Execution of New Agreement or Assumption of Agreement. At our option, the transferee either has signed our then-current form of Franchise Agreement and related documents used in the state in which the Store is located (which may provide for different royalties, advertising contributions and expenditure, duration and other rights and obligations than those provided in this Agreement) for a new term, and if the transferee is an Entity, each Entity Owner of the transferee has signed our then-current form of guaranty, or has agreed to be bound by and expressly assume all of the terms and conditions of this Agreement for the remainder of its term, and if the transferee is an Entity, each Entity Owner of the transferee has signed our then-current form of guaranty;

(v) Payment of Transfer Fees. You or the transferee has paid us a transfer fee equal to $5,000. If Franchisee came from our lead database, you may be required to pay the then-current referral fee to us plus any costs associated with applicable broker fees;

(vi) Execution of Termination Agreement and/or Release. You and your transferring Entity Owners, if you are an Entity, have signed our then-current form of termination agreement and/or general release, in form and substance satisfactory to us, unless limited or prohibited by applicable law, (which shall release us and our affiliates and our and their respective officers, directors, employees shareholders, successors, assigns, and agents from any and all claims);

(vii) Approval of Terms of Transfer. We have approved the material terms and conditions of the Transfer, including the price and terms of payment;

(viii) Subordination. If you (or your Entity Owners) finance any part of the sale price of the transferred interest, you and the Entity Owners have agreed that all obligations of the transferee under any promissory notes, agreements or security interests reserved by you (or your Entity Owners) will be subordinate to the transferee's obligations to us and our affiliates;

(ix) Non-Competition Covenant. You and your Owners must sign a non-competition covenant, in form and substance satisfactory to us, in favor of us and the transferee agreeing that, for a period of two years, starting on the effective date of the transfer, you and your Owners will not directly or indirectly (such as through members of his/her or their Immediate Families) (i) own any legal or beneficial interest in, or render services or give advice to (1) any Competitive Business that is located in the Territory; (2) any Competitive Business that is located within a five mile radius of any other Bricks & Minifigs® stores in operation or under construction as of the effective date of this transfer; or (3) any entity which grants franchises, licenses or other interests to others to operate any Competitive Business;

and (ii) recruit or hire any person who is an employee of ours or of any Bricks & Minifigs® stores operated by us, our Affiliates or any franchisee of ours without obtaining the employer's consent, which consent may be withheld for any reason;

(x) Landlord Consent. If consent is required, the lessor of the Accepted Location consents to the assignment or sublease of the Accepted Location to the transferee;

(xi) Non-Use of Marks. You have agreed that you and they will not directly or indirectly at any time or in any manner (except with respect to Bricks & Minifigs® stores owned and operated by you or them) identify yourself or themselves or any of their businesses as a current or former Bricks & Minifigs® stores, or as a franchisee, licensee or dealer of us or our affiliates, use any Mark, any colorable imitation of any of the Marks or other indicia of a Bricks & Minifigs® stores in any manner or for any purpose or use for any purpose any trade name, trade or service mark or other commercial symbol that suggests or indicates a connection or association with us;

(xii) Refurbishment. You or the transferee has agreed to any refurbishment of the Store required by us to bring the Store in compliance with the then-current standards and trade dress;

(xiii) Store Operation. You have completed development of your Store and are operating your Store in accordance with this Agreement;

(xiv) Agreement Compliance. You, your Owners and Affiliates must be in compliance with the provisions of this Agreement and all other agreements with us or any of our Affiliates;

(xv) Material Terms and Conditions. We must not have disapproved the material terms and conditions of this transfer (including the price and terms of payment and the amount to be financed by the transferee in connection with this transfer, which shall not in any event exceed 75% of the purchase price for the assets or stock to be transferred) on the basis that they are so burdensome as to be likely, in our reasonable judgment, to adversely affect the transferee's operation of your Store or its compliance with its franchise agreements, any area development agreements and any other agreements being transferred; and

(xvi) Other Conditions. You and your transferring Entity Owners, if you are an Entity, have complied with any other conditions that we periodically reasonably require as part of our transfer policies. You and your Entity Owners and Affiliates must sign such other documents and do such other things as we may reasonable require to protect our rights under this Agreement and under any area development agreement.

In connection with any assignment permitted under this Section, you will provide us with all documents to be signed by you and the proposed transferee at least 30 days before signing.

D. Death or Disability of Franchisee.

Upon the death or permanent disability of Franchisee or, if Franchisee is a corporation or partnership, the owner of a Controlling Interest of Franchisee, the executor, administrator, conservator or other personal representative of this person shall assign the Franchise or this interest in Franchisee to a third party approved by the Company. This disposition of the Franchise or this interest in Franchisee (including transfers by bequest or inheritance) shall be completed within a reasonable time, not to exceed six months from the date of death or permanent disability and shall be subject to all the terms and conditions applicable to assignments contained in Paragraph C of this Section and to the Company's right of first refusal contained in Paragraph G of this Section (provided that Paragraph G shall not apply to transfers to members of the immediate family of Franchisee or an owner of Franchisee or to transfers by gift, bequest or inheritance). Failure to so dispose of the Franchise or this interest in Franchisee within that period of time shall constitute a breach of this Agreement. Pending disposition,

the Company shall have the right to approve the management of the Store and no person whom the Company disapproved shall continue to act as a manager of the Store.

E. Special Transfers.

The transfer restriction in this Section shall not apply to any Transfer of the Franchise among any of your then-current Owners or to any Transfer of the Franchise to any member of your Immediate Family or the Immediate Family of a then-current Owner of Franchisee (if you are a corporation, partnership, limited liability company or other legal entity). On 30 days' notice to us, you (if you are an individual or partnership) may transfer this Agreement, in conjunction with a transfer of all of the assets of your Store, by an agreement in form and substance approved by us, to an entity which conducts no business other than the Store (and other Bricks & Minifigs® stores under franchise agreements granted by us), and of which you own and control all of the equity and voting power. The entity to which this Agreement is transferred must comply with Sections 7.A and 7.B. None of the foregoing assignments shall relieve you or your Owners of your respective obligations hereunder, and you and your Owners remain jointly and severally liable for all obligations hereunder.

F. The Company's Right of First Refusal.

If you or any of your Owners desire to transfer the franchise for legal consideration, you or such Owner must obtain a *bona fide*, signed written offer from a qualified purchaser and must deliver immediately to us a complete and accurate copy of this offer. If the offeror proposes to buy any other property or rights from you or any of your Owners or Affiliates (other than rights under area development agreements or rights to other franchise agreements for Bricks & Minifigs® stores) as part of the *bona fide* offer, the proposal for this property or rights must be set forth in a separate, contemporaneous offer that is fully disclosed to us, and the price and terms of purchase offered to you or your Owners for the Transfer of the Franchise must reflect the *bona fide* price offered therefore and may not reflect any value for any other property or rights.

We have the option, exercisable by notice delivered to you or your Owners within 30 days from the date of delivery of a complete and accurate copy of such offer to us, to purchase such interest for the price and on the terms and conditions contained in such offer, provided that: (1) we may substitute cash for any form of payment proposed in this offer; (2) our credit shall be deemed equal to the credit of any proposed purchaser; and (3) we will have not less than 90 days from the option exercise date to consummate the transaction. We have the right to investigate and analyze the business, assets and liabilities and all other matters we deem necessary or desirable to make an informed investment decision with respect to the fairness of the terms of our right of first refusal. We may conduct such investigation and analysis in any manner we deem reasonably appropriate and you and your Owners must cooperate fully with us in connection therewith.

If we exercise our option to purchase, we are entitled to purchase such interest subject to all representations and warranties, closing documents, releases, non-competition covenants and indemnities we as reasonably may require, provided if we exercise our option as result of a written offer reflected in a fully negotiated definitive agreement with the proposed purchaser, we will not be entitled to any additional representations, warranties, closing documents or indemnities that will have a materially adverse effect on your rights and obligations under the definitive agreement. If we do not exercise our option to purchase, you or your Owners may complete the sale to the offeror pursuant to and on the exact terms of this offer, subject to our approval of the transfer as provided in this Section provided that if the sale to this offeror is not completed within 90 days after delivery of this offer to us, or if there is a material change in the terms of the offer, you must promptly notify us and we will have an additional option to purchase (on the terms of the revised offer, if any, and otherwise as set forth herein) during the thirty-day period following your notification of the expiration of the ninety-day period or the material change to the terms of the offer.

G. Effect of Consent to Assignment.

The Company's consent to an assignment of the Franchise or any interest subject to the restrictions of this Section, shall not constitute a waiver of any claims it may have against the assignor, nor shall it be deemed a waiver of the Company's right to demand exact compliance with any of the terms or conditions of the Franchise by the assignee(s), nor a representation as to the fairness of the terms of any agreement or arrangement between you and the transferee or as to the prospects of success of the Bricks & Minifigs® stores by the transferee. Any approval shall apply only to the specific Transfer of the Franchise being proposed and shall not constitute an approval of, or have any bearing on, any other proposed transfer of the Franchise.

14. TERMINATION.

A. Immediate Termination.

You are in material breach and deemed to be in default of this Agreement, and this Agreement will automatically terminate without notice, at our discretion, if any of the following events occur:

(i) Criminal Acts. The conviction or entry of a guilty plea or no contest to charges involving fraudulent conduct or a felony or misdemeanor involving moral turpitude by either Franchisee or a principal of Franchisee.

(ii) Insolvency. You file a petition in bankruptcy or for reorganization or for an arrangement pursuant to any federal or state bankruptcy law or any similar federal or state law, or are adjudicated a bankrupt or make an assignment for the benefit of creditors or admit in writing your inability to pay your debts generally as they become due, or if a petition or answer proposing the adjudication of you as a bankrupt or your reorganization pursuant to any federal or state bankruptcy law or any similar federal or state law is filed in any court and you consent to or acquiesce in the filing thereof or this petition or answer is not discharged or denied within 30 days after the occurrence of any of the foregoing, or if a receiver, trustee or liquidator of you or of all or substantially all of your assets or your interest in this Agreement is appointed in any proceeding brought by you, or if any such receiver, trustee or liquidator is appointed in any proceeding brought against you and is not discharged within 30 days after the occurrence thereof, or if you consent to or acquiesce in this appointment (any such event described in this Section being referred to as an "**Insolvency Event**"), or if you request the appointment of a receiver or make a general assignment for the benefit of creditors, or if your bank accounts, property or accounts receivable are attached or signing is levied against your business or property or;

(iii) Unauthorized Transfer. A Transfer occurs in violation of the provisions of Section 13;

(iv) Misstatements and Other Adverse Developments. You (or, if you are an Entity, any Entity Owner of you) have made any material misrepresentation or omission in your application for the rights conferred by this Agreement, are convicted by a trial court of, or plead no contest to, a felony or to any other crime or offense that may adversely affect the goodwill associated with the Marks, or if you engage in any conduct which may adversely affect the reputation of any Bricks & Minifigs® stores or the goodwill associated with the Marks;

(v) Unauthorized Use of Marks or Confidential Information. You make any unauthorized use of the Marks or any unauthorized use or disclosure of Confidential Information;

(vi) Abandonment. You abandon or fail actively to operate your Store for five (5) consecutive days unless your Store has been closed for a purpose approved in advance by us in writing or because of fire, flood or other casualty or government order;

(vii) Disqualification. Attends the initial franchise training program and Franchisor determines, in its sole discretion, that the Franchisee, managing partner, or shareholder has failed the initial training program and is deemed not qualified to manage a Bricks & Minifigs® business;

(viii) Failure to Secure a Site. You are unable to secure a site, pursuant to the requirements of this Agreement, for your Store within twelve (12) months from the execution of this Agreement;

(ix) Breach of Lease; Loss of Right of Possession. You are in breach of any of your obligations under your lease or sublease of the Accepted Location or you lose the right to possession of the Accepted Location;

(x) Failure to Comply with System Standards. You fail or refuse to comply with System Standards relating to operations of the store in a manner that presents an imminent safety, health or environmental hazard to customers; or violates any laws, ordinances, or regulations or you operate the store (including any vehicles) in an unsafe manner and fail to cure such default within 72 hours of receiving written notice of such violations;

(xi) Understatements of Gross Revenues. You understate your Store's Gross Revenues in any report or financial statement by an amount greater than three percent (3%);

(xii) Failure to Make Payments. You or any of your Affiliates fail to make payments, when due, of any amounts due to us or our Affiliates under this Agreement or any other agreement with us or our Affiliates;

(xiii) Failure to Pay Taxes. You fail to pay any federal or state income, sales or other taxes due with respect to your Store's operations unless you are in good faith contesting your liability for the taxes;

(xiv) Repeated Breaches. You fail on two or more separate occasions within any period of twelve consecutive months or on three occasions during the term of this Agreement to submit when due reports or other data, information or supporting records or to pay when due the Royalty Fees or other payments due to us or our Affiliates or otherwise fail to comply with this Agreement, whether or not the failures to comply are corrected after notice thereof is delivered to you;

(xv) Financing Defaults. You default with respect to any of your obligations to us or any other lender under any financing provided to you in connection with this Franchise Agreement or a purchase of Store assets; or

(xvi) Default of any Other Agreement. You default in the performance or observance of any of your obligations under any other agreement with us or our Affiliates;

(xvii) Foreclosure. A suit is filed to foreclose any lien or mortgage against any of your assets and this suit is not dismissed within 30 days;

(xviii) Corporate or Partnership Dissolution. You voluntarily dissolve or liquidate or have a petition filed for corporate or partnership dissolution and this petition is not dismissed within 30 days;

(xix) Anti-Terrorism Laws. You are otherwise in violation of any of the Anti-Terrorism Laws.

(xx) Other Conduct. Engages in any other activity or conduct that has a material adverse effect on Franchisor, the Marks or Franchisor's reputation.

You expressly waive all rights under the provisions of the bankruptcy or other applicable laws and rules, and consent to the immediate termination of this Agreement as provided herein. You agree not to seek an order from any court, tribunal, or agency in any jurisdiction relating to bankruptcy, insolvency, reorganization or any similar proceedings that would have the effect of staying or enjoining this provision.

B. Notice of Termination.

In addition to our right to terminate pursuant to other provisions of this Agreement and under applicable law, we have the right to terminate this Agreement, effective upon 30 days after delivery of a notice of termination specifying any of the following breaches or defaults by you if it remains uncured at the end of the 30-day period:

(i) fail to open your Store and start business, as provided in Sections 4.C and 4.E;

(ii) surrender or transfer control of the operation of your Store without prior written consent;

(iii) make any material misstatement or omission in the Personal Profile, the ADA Application or in any other information, report or summary provided to us at any time;

(iv) suffer cancellation or termination of the lease or sublease for your Store;

(v) are convicted of, or plead no contest to, a felony or other crime or offense that we reasonably believe may adversely affect the System Standards or the goodwill associated with the Marks;

(vi) make any unauthorized use or disclosure of any Confidential Information or use, duplicate or disclose any portion of the Operations Manual in violation of this Agreement;

(vii) fail or refuse to comply with any mandatory specification, standard, or operating procedure prescribed by us relating to the cleanliness or sanitation of your Store or violate any health, safety or sanitation law, ordinance or regulation, that we reasonably believe may pose harm to the public or to you or our reputation, and do not correct this failure, refusal or violation within twenty-four hours after written notice thereof is delivered to you;

(viii) fail to report accurately Gross Revenues, to establish, maintain and/or have sufficient funds available in the designated account as required by Sections 3.D and 3.E of this Agreement or to make payment of any amounts due us or any of our Affiliates, and do not correct this failure within 10 days after written notice of this failure is delivered to you;

(ix) fail to make a timely payment of any amount due to a supplier unaffiliated with us (other than payments which are subject to bona fide dispute), and do not correct this failure within 30 days after we deliver to you notice of this failure to comply;

(x) fail to comply with any other provision of this Agreement or any other mandatory specification, System Standards or operating procedure or other obligation that we periodically prescribe in the Operations Manual and do not correct this failure within 30 days after notice of this failure to comply is delivered to you; or

(xi) fail on three or more separate occasions within any period of twelve consecutive months to submit when due reports or other data, information or supporting records or to pay when due royalties, advertising fund contributions or other payments due us, any of our Affiliates or any unaffiliated suppliers or otherwise fail to comply with this Agreement or any mandatory specification, standard or operating procedure or other obligation that we periodically prescribe in the Operations Manual, whether or not this failure is corrected after notice is delivered to you.

(xii) lose the right to possession of the Accepted Location, or otherwise forfeit the right to do or transact business in the jurisdiction where the Store is located, and do not correct this failure within 10 days after written notice of this failure is delivered to you;

(xiii) deny us the right to inspect, examine or audit your Store and your Store's books and do not correct this failure within 10 days after written notice of this failure is delivered to you;

(xiv) fail to submit any financial statement or report when required, or your submission is incorrect or incomplete, and do not correct this failure within 10 days after written notice of this failure is delivered to you;

(xv) fail to pay any federal or state income, sales, or other taxes due on your Store's operations, unless you are in good faith contesting liability for these taxes, and do not correct this failure within 10 days after written notice of this failure is delivered to you;

(xvi) violate any federal labor laws, and do not correct this failure within 10 days after written notice of this failure is delivered to you;

(xvii) fail to commence repair or restoration of your Store after damage or destruction, as provided in Section 8.A, or fail to insure the Store as provided in Section 8.G, and do not correct this failure within 30 days after written notice of this failure is delivered to you;

(xviii) fail to commence repair, restoration, modernization of your Store after we provide you a written request to do so pursuant to Section 8.A, and do not correct this failure within 30 days after written notice of this failure is delivered to you;

(xix) fail to comply with the in-term covenants in Section 9B of this Agreement, fail to obtain signing of the covenants required under that Section, or fail to comply with the confidentiality non-competition agreement found in Exhibit E, and do not correct this failure within 10 days after written notice of this failure is delivered to you; and

(xx) fail to notify us of your Operation Partner, store manager, or assistant manager's termination and/or fail to hire or select a successor Operating Partner who satisfies the requirements provided for in Section 7C will be considered as a breach of this Agreement.

(xxi) the Franchisee or any owner of greater than 10% of the Franchisee entity or operator is convicted of a crime involving fraud, a crime involving moral turpitude, or any crime of offense that is reasonably likely, in the reasonable opinion of the Franchisor, to materially and unfavorably affect the System, the Marks, Franchisor's or the System's goodwill or Franchisor's or the System's reputation.

We have no obligation whatsoever to refund any portion of the franchise fee upon any termination.

15. RIGHTS AND OBLIGATIONS OF THE COMPANY AND FRANCHISEE UPON TERMINATION OR EXPIRATION OF THE FRANCHISE.

A. Revision of Rights.

You agree that upon termination or expiration of this Agreement, all of your rights to use the Marks and all other rights and licenses granted herein and the right and license to conduct business under the Marks at your Store and on the Accepted Location shall revert to us without further act or deed of any party. All right, title and interest of you in, to, and under this Agreement shall become our property.

B. Payment of Amounts Owed to Us and Others /Liquidated damages

You must pay us within 15 days after the date of termination or expiration of this Agreement, or such later date as the amounts due to us are determined, the Royalty Fees, marketing fees, amounts owed for purchases by you from us or our Affiliates, interest due on any of the foregoing and all other amounts owed to us or our Affiliates which are then unpaid. If we terminate this Agreement for cause, you must pay us liquidated damages equal to the average monthly Royalty Fees paid by you during the 12 months immediately preceding the period multiplied by the remaining months in the term of this Agreement.

C. Discontinuance of the Use of the Marks Following Termination or Expiration.

You agree that, upon termination or expiration of this Agreement, you will:

(i) Not directly or indirectly at any time or in any manner (except with respect to other Bricks & Minifigs® stores owned and operated by you) identify yourself or any business as a current or former Bricks & Minifigs® stores, or as a franchisee, licensee or dealer of us or our Affiliates, and not use any Mark, any colorable imitation of a Mark or other indicia of a Bricks & Minifigs® stores in any manner or for any purpose or use for any purpose any trade name, trade or service mark or other commercial symbol that suggests or indicates a connection or association with us or our Affiliates;

(ii) Deliver to us all signs, sign-faces, sign-cabinets, marketing materials, forms, invoices and other materials containing any Mark or otherwise identifying or relating to a Bricks & Minifigs® stores and allow us, without liability, to remove all these items from your Store;

(iii) Take such action as may be required to cancel all fictitious or assumed name or equivalent registrations relating to your use of any Mark;

(iv) If we do not exercise our right to purchase your Store pursuant to Section 15.E, promptly remove from the Accepted Location, and discontinue using for any purpose, all signs, fixtures, furniture, décor items, advertising materials, forms and other materials and suppliers which display any of the Marks or any distinctive features, images, or designs associated with Bricks & Minifigs® stores and, at your expense, make such alterations as may be necessary to distinguish the Accepted Location so clearly from its former appearance as a Bricks & Minifigs® stores and from other Bricks & Minifigs® stores as to prevent any possibility of confusion by the public;

(v) Deliver all materials and supplies identified by the Marks in full cases or packages to us for credit and dispose of all other materials and supplies identified by the Marks within 30 days after the effective date of termination of this Agreement;

(vi) Notify the telephone company and all telephone directory publishers of the termination of your right to use any telephone and telecopy numbers and any regular, classified or other telephone directory listings associated with any Mark and to authorize transfer of those rights to us, or at our direction, our designee. You agree that, as between you and us, we have the right to and interest in all telephone and fax numbers and directory listings associated with any Mark. You authorize us and appoint us and any of our officers as your attorney-in-fact, to direct the telephone company and all telephone directory publishers to transfer any telephone and fax numbers and directory listings relating to your Store to us, or our designee, should you fail or refuse to do so, and the telephone company and all telephone directory publishers may accept such direction or this Agreement as conclusive of our exclusive rights in the telephone and telecopy numbers and directory listings and our authority to direct their transfer; and

(vii) Furnish us, within 30 days after the effective date of termination, with evidence satisfactory to us of your compliance with the obligations in this Section.

(viii) Immediately discontinue the use of any of our proprietary software;

(ix) Immediately discontinue any mode of communications on the Intranet (the Franchisee only websites) and Internet directly or indirectly relating to your Store, including any Authorized Websites, social media pages/accounts or any other electronic media associated with your Store, and immediately take all steps required by us to transfer any domain name associated with your Store to us (such as signing a Registrant Name Change Agreement with applicable Registrar). You irrevocably appoint an authorized officer of ours as your duly authorized agent and attorney-in-fact to sign all instruments and take all steps to transfer these domain names;

(x) Immediately cease to use all Confidential Information and return to us all copies of the Operations Manual and any other confidential information which have been loaned to you;

(xi) Immediately return to us all copies and database records of your tenant list(s), leases, and any other information related to such.

You agree that if you fail to fulfill any of the obligations contained in this Section upon termination or expiration of this Agreement, we have the right, at our option, to perform these obligations at your expense.

D. Discontinuance of Use of Confidential Information; Post-Term Covenant Not to Compete.

You agree that, upon termination or expiration of this Agreement, you will immediately cease to use any Confidential Information disclosed to you pursuant to this Agreement in any business or otherwise and you will return to us all copies of the Operations Manual and any other Confidential Information, which we have loaned to you.

Upon termination of this Agreement for any reason, you agree that, for a period of two (2) years (or three (3) years if we purchase your Store as provided below), commencing on the effective date of termination, neither you nor any of your owners, principals, members or partners (as applicable) (collectively the "**Restricted Persons**") will directly or indirectly own a legal or beneficial interest in, or render services or give advice to: (1) any Competitive Business operating in the Territory; (2) any Competitive Business operating within a radius of five miles of any Bricks & Minifigs® stores in operation or under construction on the effective date of termination or expiration; (3) any entity which grants franchises or licenses other interests to others to operate any Competitive Business; (4) recruit or hire any person who is an employee of ours or of any Bricks & Minifigs® stores operated by us, our Affiliates or another franchisee of ours without obtaining the employer's consent, which consent may be withheld for any reason; or (5) solicit or attempt to divert elsewhere any partnership we've established as part of the System, including, but not limited to, technology, trade, education, retail product or vending/supplier partners..

You expressly acknowledge that you, your Entity Owners, and the other Restricted Persons possess skills and abilities of a general nature and have other opportunities for exploiting those skills. Consequently, enforcement of the covenants made in this Section will not deprive you or any of the other Restricted Persons of their personal goodwill or ability to earn a living. If any covenant in this Agreement which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited and/or length of time, but would be enforceable by reducing any part or all of the covenant, you and we agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction in which enforcement is sought. If you or any of your Owners fail or refuse to abide by any of the foregoing covenants and we obtain enforcement in a judicial proceeding, the obligations under the breached covenant will continue in effect for a period of time ending two years after the date of the order enforcing the covenant.

E. Our Option to Purchase Your Assets

We shall have the right to purchase the assets of your Store, upon termination or expiration (without renewal) of this Agreement. We shall have the right, exercisable by giving notice thereof ("Appraisal Notice") within 10 days after the date of this termination or expiration of this Agreement, to require that a determination be made of the "Fair Market Value" (as defined below) of your equipment and furnishings of your Store (the "Assets"). We shall have the right to purchase your inventory at your invoice cost minus a 10% restocking fee (the "Inventory).

Upon delivery of the Appraisal Notice, you may not sell or remove any of the Assets or Inventory of your Store from the Accepted Location (other than in the ordinary course of business) and must give us, our designated agents and the "Appraiser" (as defined below) full access to your Store and all of your books and records at any times during customary business hours to conduct inventories and determine the purchase price for the Assets and Inventory.

The Fair Market Value of the Assets shall be determined based upon the amount that an arm's length purchaser would be willing to pay for the Assets, assuming that the Assets would be used for the operation of a Bricks & Minifigs® stores under a valid franchise agreement reflecting the then-current (or if we are not offering franchises at that time, then the most recent) standard terms upon which we offer or offered franchises for Bricks & Minifigs® stores. Under no circumstances does this calculation contemplate any value be attributed to any goodwill associated with the Marks or any value attributed to other Intellectual Property or the System Standards, provided, however, that an amount may, if appropriate, be attributed to the going concern value of your Store. You and we hereby agree that the valuation methodology described herein is a fair and reasonable method by which to value the Assets.

Notwithstanding, the mutually agreeable valuation methodology, if you and we are unable to agree on the final calculation of the Fair Market Value of the Assets, within 15 days after the Appraisal Notice, then Fair Market Value will be determined by a member of a nationally recognized accounting firm (other than a firm which conducts audits of our or your financial statements) mutually selected by you and us who has experience in the valuation of Store businesses (the "Appraiser"). If we are unable to agree on the Appraiser within 30 days after the Appraisal Notice, either party may demand the appointment of an Appraiser be made by the director of the Regional Office of the American Arbitration Association located nearest to Salt Lake City, Utah, and this person shall be the Appraiser.

The Appraiser will make his or her determination and submit a written report (the "Appraiser Report") to you and us as soon as practicable, but in no event more than 60 days after his or her appointment. Each party may submit in writing to the Appraiser its judgment of Fair Market Value (together with its reason therefore); however, the Appraiser shall not be limited to these submissions and may make such independent investigations as he or she reasonably determines to be necessary. The Appraiser's fees and costs shall be borne equally by the Parties.

We have the option, exercisable by delivering notice thereof within 30 days after submission of the Appraisal Report (or the date that an agreement is reached, if the Parties agree to the Fair Market Value), to agree to purchase the Assets at Fair Market Value. We shall have the unrestricted right to assign this option to purchase separate and apart from the remainder of this Agreement.

If we exercise our option to purchase, the purchase price for the Assets and the Inventory will be paid in cash at the closing, which will occur at the place, time and date we designate, but not later than 60 days after the exercise of our option to purchase the Assets and Inventory. At the closing, we will be entitled to all representations, warranties, title insurance policies and other closing documents and post-closing indemnifications as we reasonably require, including: (1) instruments transferring good and marketable title to the Assets and Inventory, free and clear of liens, encumbrances, and liabilities, to us or our designee, with all sales and other transfer taxes paid by you; and (2) an assignment of all leases of assets used in the operation of your Store,

including land, building and/or equipment (or if an assignment is prohibited, a sublease to us or our designee for the full remaining term and on the same terms and conditions as your lease, including renewal and/or purchase options), provided, however, that if any of your Owners or Affiliates directly or indirectly owns the land, building and/or equipment of your Store, you will, at our option, cause this Owner or Affiliate to grant to us a lease at reasonable and customary rental rates and other terms prevailing in the community where your Store is located. Any dispute concerning the rental rates and terms of this lease shall be resolved by the Appraiser.

If you cannot deliver clear title to all of the Assets and the Inventory, or if there are other unresolved issues, the closing of the sale may, at our option, be accomplished through an escrow on these terms and conditions as we deem appropriate, including the making of payments, to be deducted from the purchase price, directly to third parties to obtain clear title to all of the Assets and the Inventory. Further, you and we shall comply with any applicable bulk sales provisions of the Uniform Commercial Code as enacted in the state where the Accepted Location are located and all applicable state and local sales and income tax notification and/or escrow procedures. We have the right to set off against and reduce the purchase price by any and all amounts owed by you or any of your Owners or Affiliates to us or any of our Affiliates.

Upon delivery of the Appraisal Notice and pending (1) determination of Fair Market Value, (2) our option period, and (3) the closing of the purchase, we may authorize continued temporary operations of your Store pursuant to the terms of this Agreement, subject to the supervision and control of one or more of our appointed managers.

F. Continuing Obligations.

All obligations of us and you which expressly or by their nature survive the termination of this Agreement will continue in full force and effect subsequent to and notwithstanding termination and until they are satisfied in full or by their nature expire.

16. RELATIONSHIP OF PARTIES/INDEMNIFICATION.

A. Independent Contractors.

Franchisor and Franchisee acknowledge and agree that the relationship created under the Agreement is that of independent Contractors. Neither this Agreement nor the dealings of the parties pursuant to this Agreement shall create any fiduciary relationship or the relationship of principal and agent or employer and employee between the parties, and in no circumstances shall either party, their officers, directors, agents, employees, salespeople, or similar persons be considered the agents or employees of the other party

You understand and agree that we may operate and change the System and our business in any manner that is not expressly and specifically prohibited by this Agreement. Whenever we have expressly reserved in this Agreement or are deemed to have a right and/or discretion to take or withhold an action, or to grant or decline to grant you a right to take or withhold an action, except as otherwise expressly and specifically provided in this Agreement, we may make our decision or exercise our right and/or discretion on the basis of our judgment of what is in our best interests, including our judgment of what is in the best interest of our franchise network, at the time our decision is made or our right or discretion is exercised, without regard to whether: (1) other reasonable alternative decisions or actions could have been made by us; (2) our decision or the action we take promotes our financial or other individual interest; (3) our decision or the action we take applies differently to you and one or more other franchisees or our company-owned or company-affiliated operations; or (4) our decision or the exercise of our right or discretion is adverse to your interests. In the absence of an applicable statute, we will have no liability to you for any such decision or action. We and you intend that the exercise of our right or discretion will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, we and you agree that this covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants us the right to make

decisions, take actions and/or refrain from taking actions not inconsistent with your rights and obligations hereunder.

B. Indemnification.

You must indemnify us, our Affiliates and our respective directors, officers, employees, shareholders, members, agents, successors and assigns (collectively "indemnitees"), and to hold the indemnitees harmless to the fullest extent permitted by law, from any and all losses and expenses (as defined below) incurred in connection with any litigation or other form of adjudicatory procedure, claim, demand, investigation, or formal or informal inquiry (regardless of whether it is reduced to judgment) or any settlement thereof which arises directly or indirectly from, or as a result of, a claim of a third party against any one or more of the indemnitees in connection with the development, ownership, operation or closing of any of your Bricks & Minifigs® stores (collectively "event"), and regardless of whether it resulted from any strict or vicarious liability imposed by law on the indemnitees, provided, however, that this indemnity will not apply to any liability arising from a breach of this Agreement by the indemnitees or the gross negligence or willful acts of indemnitees (unless joint liability is involved, in which event the indemnification provided herein will extend to any finding of comparative or contributory negligence attributable to you). The term "losses and expenses" includes compensatory, exemplary, and punitive damages; fines and penalties; attorney's fees; experts' fees; court costs; costs associated with investigating and defending against claims; settlement amounts; judgments; compensation for damages to our reputation and goodwill; and all other costs associated with any of the foregoing losses and expenses. We agree to give you reasonable notice of any event of which we become aware for which indemnification may be required and we may elect (but are not obligated) to direct the defense thereof, provided that the selection of counsel shall be subject to your consent, which consent shall not be unreasonably withheld or delayed. We may, in our reasonable discretion, take such actions as we deem necessary and appropriate to investigate, defend, or settle any event or take other remedial or corrective actions with respect thereto as may be necessary for the protection of indemnitees or Bricks & Minifigs® stores generally, provided however, that any settlement shall be subject to your consent, which consent shall not be unreasonably withheld or delayed. Further, notwithstanding the foregoing, if the insurer on a policy or policies obtained in compliance with your Franchise Agreement agrees to undertake the defense of an event (an "Insured Event"), we agree not to exercise our right to select counsel to defend event if this would cause your insurer to deny coverage. We reserve the right to retain counsel to represent us with respect to an Insured Event at our sole cost and expense. This Section shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

C. Taxes.

We will have no liability for any sales, use, service, occupation, excise, gross receipts, income, property or other taxes, whether levied upon your Store, your property or upon us, in connection with furnishings or equipment purchased, sales made or business conducted by you (except any taxes we are required by law to collect from you, in which case you shall be liable to us for the amount of any taxes owed). Payment of all these taxes shall be your responsibility. In the event of a *bona fide* dispute as to your liability for taxes, you may contest your liability in accordance with applicable law. In no event, however, will you permit a tax sale, seizure, or attachment to occur against your Store or any of its assets.

17. DISPUTE AVOIDANCE AND RESOLUTION.

A. Mediation and Mandatory Binding Arbitration, Waiver of Right to Trial by Jury, Etc.

All claims, disputes, suits, actions, controversies, proceedings, or otherwise, of every kind (hereinafter "claim" or "claims") arising between or involving the Franchisor and the Franchisee except as expressly provided below, will be resolved as described in this Section. This resolution process will apply to all such claims whether arising out of or relating to this or any other agreement or document, any alleged breach of duty (including the offer and/or sale of any franchise, any action for rescission or other action to set aside such sale or any other agreement), and on whatever theory or basis in fact. The resolution process will be as follows:

(1) First, the claim(s) will be discussed in a face-to-face meeting between the parties with individuals who are authorized to make binding commitments on their behalf. This meeting will be held at Franchisor's then-current headquarters and within thirty (30) days after written notice is given proposing such a meeting. Either party may require the other to participate in the International Franchise Association's Ombudsman (or similar) program prior to, or in conjunction with, any mediation, and all meetings to be held at Franchisor's then-current headquarters.

(2) Second, if, in the opinion of either party, the meeting has not successfully resolved any of the claims at issue, they will be submitted to non-binding mediation through the American Arbitration Association ("AAA").

(3) Third, if such mediation is not successful in resolving the dispute, claims will be submitted to and finally resolved by binding arbitration before and in accordance with the arbitration rules of AAA in Utah County, Utah. In each case, the parties to any mediation/arbitration will execute appropriate confidentiality agreements, excepting only such public disclosures and filings as required by law.

(4) Franchisor and Franchisee agree that this Agreement does not obligate them to mediate or arbitrate claims or issues relating primarily to (i) the validity of the Marks, or any trademarks, service marks or other Intellectual Property licensed to Franchisee, (ii) Franchisor's rights to obtain possession of any real and personal property (including any action in unlawful detainer, ejectment or otherwise) (iii) Franchisor's or Franchisee's rights to obtain a writ of attachment and/or other pre-judgment remedies and/or (iv) Franchisor's rights to receive and enforce a temporary restraining order, preliminary injunction, permanent injunction or other equitable relief (including, but not limited to, Franchisor's rights to equitable relief with respect to Franchisee's unlawful use of any of the Marks and/or other Intellectual Property and Franchisee's breach of the confidentiality and/or non-compete provisions of this Agreement), intentional interruption by Franchisee or Franchisor of business operations with the exception of the provisions of Section 14 relating to Breaches, Defaults or Termination, and the exercise of any such rights and remedies will not be deemed a waiver of the rights to require or use mediation and/or arbitration.

(5) Franchisor and Franchisee each knowingly waive all rights to trial by a court or jury. The parties each understand that arbitration may be less formal than a court or jury trial, may use different rules of procedure and evidence, and may make appeals generally less available. However, both parties still prefer, and have mutually selected (for the reasons set forth in this Section and the following one), mediation and/or arbitration as provided in this Agreement to resolve any and all disputes and claims, except as expressly provided in Section 17.A(4). The parties have had an express meeting of the minds on each these matters as set forth in this Section and/or otherwise. Both parties further agree that the provisions of this Agreement will control the state or provincial laws by which this Agreement will be governed and construed, any provisions of state, provincial or other law to the contrary, and/or any statements in Franchisor's Disclosure Document or otherwise required as a condition of registration or otherwise.

18. MISCELLANEOUS.

A. Severability and Substitution of Valid Provisions.

Each section, paragraph, term and provision of this Agreement shall be considered severable and if any portion of this agreement is held to be invalid, contrary to, or in conflict with any applicable present or future law or regulation, it shall not have any effect upon these other portions of this Agreement as may remain otherwise intelligible. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the

termination of or refusal to renew this agreement than is required under this Agreement, or the taking of some other action not required under it, or if under any applicable and binding law or rule of any jurisdiction, any provision of this agreement or any specification, standard or operating procedure prescribed by the Company is invalid or unenforceable, the prior notice and/or other action required by this law or rule shall be substituted for the comparable provisions of this Agreement, and the Company shall have the right to modify this invalid or unenforceable provision, specification, standard or operating procedure if required to be valid and enforceable. You must be bound by any modification to this Agreement. Otherwise, all modifications to this Agreement must be in writing signed by both Parties (except for modifications accomplished by virtue of the Company's amendment to System Standards and/or the Operations Manual as described herein). If any covenant herein which restricts competitive activity is deemed unenforceable by virtue of its scope or in terms of geographic area, type of business activity prohibited and/or length of time, but could be rendered enforceable by reducing any part or all of it, you and we agree that it will be enforced to the fullest extent permissible under applicable law and public policy.

Nothing in this Agreement or any related agreement is intended to disclaim Franchisor's representations made in the Uniform Franchise Disclosure Document.

B. Waiver of Obligation.

The Company and you may by written instrument unilaterally waive or reduce any obligation of, or restriction upon, the other under this Agreement, effective upon delivery of written notice to the other. The Company and you shall not be deemed to have waived or impaired any right, power or option reserved by this Agreement (i) by virtue of any custom or practice of the Parties at variance with the terms of this Agreement; (ii) any failure, refusal or neglect of the Company or you to exercise any right under this Agreement or to insist upon exact compliance by the other with its obligations under this Agreement; (iii) any waiver, forbearance, delay, failure or omission by the Company to exercise any right, power or option with respect to any other Bricks & Minifigs® stores; or (iv) the acceptance by the Company of any payments due from you after any breach of this Agreement. Neither the Company nor you shall be liable for loss or damage or deemed to be in breach of this Agreement if its failure to perform its obligations results from: (i) transportation shortages, inadequate supply of labor, material or energy, or the voluntary foregoing of the right to acquire or use any of the foregoing to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency thereof; (ii) compliance with any law, ruling, order, regulation, requirement or instruction of any agency of government; (iii) acts of God; (iv) acts of omissions of the other party; (v) fires, strikes, embargoes, war, or riot; or (vi) any other similar event or cause. Any delay resulting from any cause shall extend performance accordingly or excuse performance, in whole or in part, as may be reasonable.

C. Acknowledgement Addendum.

Franchisee acknowledges that Franchisee knowingly and truthfully executed Exhibit A attached hereto, or documents identical thereto, in which Franchisee acknowledges certain statements and representations.

D. Costs and Attorney's Fees.

In a judicial proceeding, the non-prevailing party agrees to reimburse the prevailing party for all of the prevailing party's costs and expenses, including reasonable accounting, paralegal, expert witness and attorneys' fees.

E. Governing Law.

This Agreement shall be construed under the laws of the State of Utah, provided the foregoing shall not constitute a waiver of any of your rights under any applicable franchise law of another state. Otherwise, in the event of any conflict of law, Utah law will prevail, without regard to its conflict of law principles. However, if any provision of this Agreement would not be enforceable under Utah law, and if your Store is located outside of

Utah and this provision would be enforceable under the laws of the state in which your Store is located, then this provision shall be construed under the laws of that state. Nothing in this Section is intended to subject this Agreement to any franchise or similar law, rule or regulation of the State of Utah to which it otherwise would not be subject.

F. Specific Performance/Injunctive Relief.

We may obtain in any court of competent jurisdiction any injunctive relief, including temporary restraining orders and preliminary injunctions, against conduct or threatened conduct for which no adequate remedy at law may be available or which may cause us irreparable harm. We may have this injunctive relief, without bond, but upon due notice, in addition to this further and other relief as may be available at equity or law, and your sole remedy in the event of the entry of this injunction, shall be its dissolution, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any injunction being expressly waived). You and each of your Owners acknowledge that any violation of Sections 9, 13.C(xi), 15C or 15D would result in irreparable injury to us for which no adequate remedy at law may be available. Accordingly, you and each of your Owner's consent to the issuance of an injunction prohibiting any conduct in violation of any of those Sections and agree that the existence of any claim you or any of your Owners may have against us, whether arising from this Agreement, shall not constitute a defense to the enforcement of any of those Sections.

G. Binding Effect.

This Agreement is binding upon the Parties to it and their respective executors, administrators, heirs, assigns, and successors in interest and shall inure to the benefit of any transferee or other legal successor to our interest herein.

H. Construction.

. The headings of Sections are for convenience only and do not limit or construe their contents. The word "including" shall be construed to include the words "without limitation." The term "Franchisee" as used in this Agreement is applicable to one or more persons, a corporation or a partnership and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine. If two or more persons are at any time Franchisee under this Agreement, their obligations and liabilities to the Company shall be joint and several. References to "Franchisee," "owner" and "assignee" which are applicable to an individual or individuals shall mean the Entity Owner or owners of Franchisee or an assignee (any person owning of record or beneficially 10% or more of the equity or control of Franchisee) if Franchisee or the assignee is a corporation or partnership. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

This Agreement may be signed in multiple copies, each of which shall be deemed an original. Time is of the essence in this Agreement.

I. Entire Agreement

The introduction hereto is a part of this Agreement (together with its appendices, all of which will be deemed to be part of this Agreement). This Agreement contains the final, complete and exclusive expression of the terms of Franchisor's agreement and entirely supersedes and replaces any and all prior and/or concurrent promises, agreements, representations or otherwise (whether oral or written) between Franchisee and Franchisor (or anyone else.) No prior and/or concurrent promises, agreements, representations or otherwise (whether oral or written) of any kind or nature whatsoever have been made by Franchisor or anyone else. Nothing in this Agreement or any related agreement is intended to disclaim Franchisor's representations made in the Uniform Franchise Disclosure Document.

J. Exercise of Rights.

The rights of Franchisor and Franchisee hereunder are cumulative and no exercise or enforcement by Franchisor or Franchisee of any right or remedy hereunder shall preclude the exercise or enforcement by Franchisor or Franchisee of any other right or remedy hereunder which Franchisor or Franchisee is entitled to enforce by law. If you commit any act of default under any agreement or this Agreement for which Franchisor exercises its right to terminate this Agreement, you shall pay to Franchisor the actual and consequential damages Franchisor incurs as a result of the premature termination of this Agreement. You acknowledge and agree that the proximate cause of these damages sustained by Franchisor is your act of default and not Franchisor's exercise of its right to terminate. Notwithstanding the foregoing, and except as otherwise prohibited or limited by applicable law, any failure, neglect, or delay of a party to assert any breach or violation of any legal or equitable right arising from or in connection with this Agreement shall constitute a waiver of this right and shall preclude the exercise or enforcement of any legal or equitable remedy arising therefrom, unless written notice specifying the breach or violation is provided to the other party within twenty-four months after the later of: (1) the date of the breach or violation; or (2) the date of discovery of the facts (or the date the facts could have been discovered, using reasonable diligence) giving rise to the breach or violation.

K. Approval and Consents.

Whenever this Agreement requires the approval or consent of either party, the other party shall make written request therefore, and this approval or consent shall be obtained in writing; provided however, unless specified otherwise in this Agreement, this party may withhold approval or consent, for any reason or for no reason at all. Furthermore, unless specified otherwise in this Agreement, no such approval or consent shall be deemed to constitute a warranty or representation of any kind, express or implied, and the approving or consenting party shall have no responsibility, liability or obligation arising therefrom.

L. Notices and Payments.

All written notices permitted or required to be delivered by this Agreement shall be deemed so delivered at the time delivered:

(i) at the time delivered by hand to the recipient party or any officer, director, or partner of the recipient party;

(ii) on the same day of the transmission by facsimile, telegraph, e-mail or other reasonably reliable electronic communication system (provided sender has electronic confirmation of transmission);

(iii) one business day after being placed in the hands of a commercial courier service for guaranteed overnight delivery; or

(iv) five business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the party to be notified at its most current principal business address of which the notifying party has been notified in writing. All notices to us must include a copy to our General Counsel and our Chief Executive Officer to be effective. All payments and reports required by this Agreement shall be sent to us at the address identified in this Agreement unless and until a different address has been designated by written notice to the other party. No restrictive endorsement on any check or in any letter or other communication accompanying any payments shall bind us, and our acceptance of any payments shall not constitute an accord and satisfaction.

All payment and reports required by this Agreement must be directed to the Company at the address notified to you.

M. Receipt of Disclosure Document and Agreement.

You acknowledge having received our Franchise Disclosure Document 14 calendar days before signing a binding agreement or making any payment to us relating to this agreement. You acknowledge having received this Agreement, with all blanks completed, at least seven calendar days before you signed it.

(Signatures on following page)

IN WITNESS WHEREOF, the Parties have signed, sealed and delivered this Agreement on the day and year first above written.

FRANCHISOR

BAM FRANCHISING, INC.,
an Oregon corporation

By:_____
Print Name:_____
Title:_____
Date:_____

FRANCHISEE

_____
(Name of corporation, partnership, limited liability company or other legal entity)

By:_____
Print Name:_____
Title:_____
Date:_____

By:_____
Print Name:_____
Title:_____
Date:_____

By:_____
Print Name:_____
Title:_____
Date:_____

By:_____
Print Name:_____
Title:_____
Date:_____

By:_____
Print Name:_____
Title:_____
Date:_____

EXHIBIT A

ACKNOWLEDGMENT ADDENDUM

BAM Franchising, Inc., ("we", "us", the "Company" or "Franchisor") and _____, ("you" or "Franchisee") have, this ____ day of _____, 20___, entered into a certain BAM Franchising, Inc. Franchise Agreement for a Bricks & Minifigs® Franchise (the "Franchise Agreement") and desire to supplement its terms, as set out below.

1. You acknowledge and represent that you have read this Agreement and our Disclosure Document and understand and accept the provisions of this Agreement as being reasonably necessary to maintain our high standards of quality and service and the uniformity of those standards at all Bricks & Minifigs® stores franchised or operated by us and to protect and preserve the goodwill of the Marks. _____ (Franchisee's Initials)

2. You acknowledge that you have conducted an independent investigation of the business venture contemplated by this Agreement and you recognize that, like any other business, the nature of the business contemplated by this Agreement may change over time, that an investment in a Bricks & Minifigs® stores involves business risks, and that the success of the venture is largely dependent upon your business abilities and efforts. _____ (Franchisee's Initials)

3. You acknowledge and understand that our officers, directors, employees and agents are acting only in a representative and not a personal capacity in their dealings with you. You also acknowledge and represent that you have not received or relied on any representations about us or our franchise program or policies from us or our officers, directors, employees or agents that are contrary to the statements made in our Disclosure Document or to the terms of this Agreement. _____ (Franchisee's Initials)

4. You represent to us, as an inducement to your entry into this Agreement, that all statements in your application for the rights granted in this Agreement are accurate and complete and that you have made no misrepresentations or material omissions in obtaining these rights. _____ (Franchisee's Initials)

5. You acknowledge that you received a copy of this Agreement, all applicable addenda, and any other related agreements with us or our Affiliates and our Disclosure Document at least 14 calendar days before the date on which this Agreement was signed. _____ (Franchisee's Initials)

6. You acknowledge and agree that this Agreement, together with any duly signed amendment or addendum attached to the Agreement contain the entire agreement between the Parties with respect to your Franchise for the Store, and that it supersedes any prior or contemporaneous agreements between the Parties, written or oral, with respect to the Franchise for the Store. _____ (Franchisee's Initials)

7. You acknowledge and agree that this Agreement creates an arm's length commercial relationship that cannot and will not be transformed into a fiduciary or other "special" relationship by course of dealing, by any indulgences or benefit that we bestow on you, or by inference from a party's conduct. _____ (Franchisee's Initials)

IN WITNESS WHEREOF, the undersigned have signed this Agreement on the date first above written.

FRANCHISOR	**FRANCHISEE**
BAM FRANCHISING, INC., an Oregon corporation	_____ (Name of corporation, partnership, limited liability company or other legal entity)

By:_____
Print Name: _____
Title: _____
Date: _____

By: _____
Print Name: _____
Title: _____
Date: _____

By: _____
Print Name: _____
Title: _____
Date: _____

By: _____
Print Name: _____
Title: _____
Date: _____

By: _____
Print Name: _____
Title: _____
Date: _____

By: _____
Print Name: _____
Title: _____
Date: _____

By: _____
Print Name: _____
Title: _____
Date: _____

EXHIBIT B
OWNERSHIP ADDENDUM TO BAM FRANCHISING
FRANCHISE AGREEMENT

BAM Franchising, Inc., ("we", "us", the "Company" or "Franchisor") and _____, ("you" or "Franchisee") have, this ___ day of _____, 20___, entered into a certain BAM Franchising, Inc. Franchise Agreement for a Bricks & Minifigs® Franchise (the "Franchise Agreement") and desire to supplement its terms, as set out below. The Parties therefore agree as follows:

1. Operating Partner.

The name, home address, and social security number of the Operating Partner is as follows:

Name	Home Address	SSN
_____	_____	_____

2. Entity Type of Franchisee

(a) Corporation or Limited Liability Company.

Franchisee was organized on the ___ day of _____, 20___, under the laws of the State of _____. Its Federal Identification Number is _____. It has not conducted business under any name other than its corporate or company name. The following is a list of all of Franchisee's directors and officers or managing members as of the ___ day of _____, 20____.

Director/Officer/Managing Member's Names	Position(s) Held
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

(b) Partnership.

Franchise is a [general]____ [limited]____ partnership formed on the ___ day of _____, 20___, under the laws of the State of _____. Its Federal Identification Number is _____.
It has not conducted business under any name other than its partnership name. The following is a list of all of Franchisee's general partners as of the ___ day of _____, 20__.

General Partner's Names

_____
_____
_____
_____
_____
_____
_____

3. Owners. Franchisee and each of its Owners represents and warrants that the following is a complete and accurate list of all Owners of Franchisee, including the full name, mailing address, and social security number of each Owner, and fully describes the nature and extent of each Owner's interest in Franchisee. Franchisee and each Owner as to his/her ownership interest in Franchisee, represents and warrants that each Owner is the sole and exclusive legal beneficial owner of his/her ownership interest in Franchisee, free and clear of all liens, restrictions, agreements and encumbrances of any kind or nature, other than those required or permitted by the Agreement.

Owner's Name & SSN	Owners Address	Ownership Percentage

4. Change. You must immediately notify us in writing of any change in the information contained in this Addendum and, at our request, prepare and sign a new Addendum containing the correct information.

5. Date of Addendum. The date of this Addendum this ___ day of _____, 20___.

(Signatures on following page)

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his/her signature as of the ___ day of _____, 20___.

FRANCHISOR

BAM FRANCHISING, INC.,
an Oregon corporation

By:_____
Print Name: _____
Title: _____
Date: _____

FRANCHISEE

_____
(Name of corporation, partnership, limited liability company or other legal entity)

By: _____
Print Name: _____
Title: _____
Date: _____

OWNERS:

By:_____
Print Name: _____
Title: _____
Date: _____

By:_____
Print Name: _____
Title: _____
Date: _____

By:_____
Print Name: _____
Title: _____
Date: _____

By:_____
Print Name: _____
Title: _____
Date: _____

By:_____
Print Name: _____
Title: _____
Date: _____

EXHIBIT C

GUARANTY

In consideration of, and as an inducement to, the signing of an BAM Franchising, Inc. Franchise Agreement dated _____, 20___ (the "Agreement") by and between BAM Franchising, Inc. ("Franchisor") and _____("Franchisee"), each of the undersigned owners of a 10% or greater interest in Franchisee for themselves, their heirs, legal representatives, successors and assigns (collectively the "Guarantors") do hereby personally, unconditionally, individually, jointly and severally: (1) guarantee to Franchisor and to its successors and assigns, for the term of Agreement and thereafter as provided in the Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement (and any modification or amendment to the Franchise Agreement) including the payment of all continuing license fees, marketing fees and all other fees and charges accruing pursuant to the Franchise Agreement and that each and every representation of Franchisee made in connection with the Agreement (and any modification or amendment to the Franchise Agreement) are true, correct and complete in all respects at and as of the time given; and (2) agree personally to be bound by, and personally liable for the breach of, each and every provision in the Agreement (and any modification or amendment to the Franchise Agreement).

Each of the Guarantors further agrees as follows:

1. The Guarantors, individually, jointly and severally, shall be personally bound by each and every condition and term contained in the Franchise Agreement as though each of the Guarantors had signed a franchise agreement containing the identical terms and conditions of the Franchise Agreement, including the provisions relating to confidentiality and non-competition covenants. This Guaranty shall continue in favor of Franchisor notwithstanding any extension, modification, or alteration of the Franchise Agreement, and notwithstanding any assignment of the Franchise Agreement, with or without the Franchisor's consent. No extension, modification, alteration or assignment of the Franchise Agreement shall in any manner release or discharge the Guarantors, and each of the Guarantors consents to any extension, modification, alteration or assignment.

2. Each Guarantor's liability under this Guaranty is primary and independent of the liability of Franchisee and any other Guarantors. Each Guarantor waives any right to require Franchisor to proceed against any other person or to proceed against or exhaust any security held by Franchisor at any time or to pursue any right of action accruing to Franchisor under the Franchise Agreement. Franchisor may proceed against each Guarantor and Franchisee, jointly and severally or may, at its option, proceed against each Guarantor without having commenced any action, or having obtained any judgment, against Franchisee or any other Guarantor. Each Guarantor waives the defense of the statute of limitations in any action under this Guaranty or for the collection of any indebtedness or the performance of any obligation guaranteed pursuant to this Guaranty. Each Guarantor waives any right that the undersigned may have to require that an action be brought against Franchisee or any other person as a condition of liability. Each Guarantor waives any and all other notices and legal or equitable defenses to which the undersigned may be entitled.

3. The Guarantors unconditionally, individually, jointly and severally agree to pay all attorneys' fees and all costs and other expenses incurred in any collection or attempted collection of this Guaranty or in any negotiations relative to the obligations guaranteed or in enforcing this Guaranty against Franchisee.

4. Each Guarantor waives notice of any demand by Franchisor, any notice of default in the payment of any amounts contained or reserved in the Franchise Agreement (and any modification or amendment to the Franchise Agreement), or any other notice of default or nonperformance of any obligations under the Franchise Agreement. Each Guarantor waives protest and notice of default to any party with respect to indebtedness, default or nonperformance of any obligations under the Franchise Agreement (and any modification or amendment to the Franchise Agreement).

Each Guarantor expressly agrees that the validity of this Guaranty and its obligations shall in no way be terminated, affected or impaired by reason of any waiver by Franchisor, or its successors or assigns, or the failure

of Franchisor to enforce any of the terms, covenants or conditions of the Franchise Agreement or this Guaranty, or the granting of any indulgence or extension of time to Franchisee, all of which may be given or done without notice to the Guarantors.

6. Until all obligations of Franchisee to Franchisor have been paid or satisfied in full, the Guarantors have no remedy or right of subrogation and each Guarantor waives any right to enforce any remedy which Franchisor has or may in the future have against Franchisee and any benefit of, and any right to participate in, any security now or in the future held by Franchisor.

7. All existing and future indebtedness of Franchisee to each Guarantor is hereby subordinated to all indebtedness and other monetary obligations guaranteed in this Guaranty and, without the prior written consent of Franchisor, shall not be paid in whole or in part to any Guarantor, nor will any Guarantor accept any payment of or on account of any indebtedness while this Guaranty is in effect, unless at the time of this payment, all indebtedness and other monetary obligations to Franchisor are current under the terms of the Franchise Agreement.

8. Each Guarantor consents and agrees that the undersigned shall render any payment or performance required under this Guaranty and that the liability of each Guarantor shall be joint and several. This liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which the Franchisor may periodically grant to Franchisee or to any other person including the acceptance of any partial payment or performance or the compromise or release of any claims, none of which shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable until satisfied in full.

9. Each Guarantor waives acceptance and notice of acceptance by Franchisor of the foregoing undertakings. Each Guarantor waives notice of any amendment to the Agreement.

You and your owners irrevocably submit to the jurisdiction of the courts of the State of Utah in any suit, action or proceeding, arising out of or relating to this Guaranty or any other dispute between you and us, and you irrevocably agree that all claims in respect of any suit, action or proceeding must be brought and/or defended except with respect to matters that are under the exclusive jurisdiction of the Federal Courts of the United States, which shall be brought and/or defended in the Federal District Court sitting in Salt Lake City, Utah. You irrevocably waive, to the fullest extent you may lawfully do so, the defense of an inconvenient forum to the maintenance of this suit, action, or proceeding and agree that service of process for purposes of any suit, action, or proceeding need not be personally served or served within the State of Utah, by certified mail or any other means permitted by law addressed to you at the address set forth herein. Nothing contained herein shall affect our rights to bring a suit, action or proceeding in any other appropriate jurisdiction, including any suit, action or proceeding brought by us to enforce any judgment against you entered by a State or Federal Court.

(Signatures on following page)

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his/her signature as of the ___ day of _____, 20___.

GUARANTOR(S):

By: _____
Print Name: _____
Title: _____
Date: _____

By: _____
Print Name: _____
Title: _____
Date: _____

By: _____
Print Name: _____
Title: _____
Date: _____

By: _____
Print Name: _____
Title: _____
Date: _____

By: _____
Print Name: _____
Title: _____
Date: _____

By: _____
Print Name: _____
Title: _____
Date: _____

EXHIBIT D

LEASE ADDENDUM

This Lease Addendum is signed as of this ____ day of _____, 20___, by and between _____ ("Franchisee") and _____ ("Landlord") as an addendum to the lease (as periodically modified, amended, supplemented, renewed, and/or extended as contemplated herein, the "Lease") for the Accepted Location located at _____ _____, state of _____ (the "Accepted Location") dated as of _____, 20___.

The Lease is hereby modified to include the following provisions. In the event the provisions below contradict the provisions of the Lease, the provisions contained herein shall supersede any terms to the contrary set forth in the Lease.

WHEREAS, Franchisee has signed or intends to sign a Franchise Agreement (the "Franchise Agreement") with BAM Franchising, Inc. (the "Franchisor") for the operation of a Bricks & Minifigs® stores at the Accepted Location, and as a requirement thereof, the lease for the Accepted Location must include the provisions contained in this Addendum.

NOW THEREFORE, in consideration of mutual covenants set forth herein, the signing and delivery of the Lease, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord and Franchisee hereby agree as follows:

1. Landlord shall deliver to Franchisor a copy of any notice of default or termination of the Lease at the same time this notice is delivered to Franchisee. In the event of default by Franchisee, Landlord must provide notice to Franchisor of Franchisee's default under the Lease, and Landlord must provide Franchisor with the right (but not the obligation) to cure Franchisee's default.

2. Notwithstanding anything to the contrary contained in the Lease, Franchisee shall have the absolute right to sublet, assign, or otherwise transfer its interest in the Lease to Franchisor or any of its affiliates, or to a corporation with which the Franchisee or Franchisor may merge or consolidate, without Landlord's approval, written or otherwise.

3. If the Franchisor requests, the Franchisee shall assign to Franchisor, and Landlord hereby irrevocably and unconditionally consents to this assignment, all of Franchisee's rights, title, and interest to and under the Lease , but no such assignment shall be effective unless:

    a. The Franchise Agreement is terminated or expires without signing of a successor franchise agreement; and

    b. Franchisor notifies the Franchisee and Landlord in writing that Franchisor assumes Franchisee's obligations under the lease.

4. Franchisor shall have the right, but not the obligation, upon giving written notice of its election to Franchisee and Landlord, to cure any breach of the Lease and, if so stated in the notice, to also succeed to Franchisee's rights, title, and interests there under.

5. The Lease may not be amended, modified, extended, supplemented, assigned, or renewed in any manner or assigned by Franchisee without Franchisor's prior written consent.

6. Franchisee and Landlord acknowledge and agree that Franchisor shall have no liability or obligation whatsoever under the Lease unless and until Franchisor assumes the Lease in writing pursuant to Sections 3,

4, or 5 above. Franchisor will assume all of Franchisee's obligations under the Lease or Sublease from and after the date of assignment, but shall have no obligation to pay any delinquent rent or to cure any other default under the Lease that occurred or existed before the date of assignment.

7. If Franchisor assumes the Lease, as above provided, Franchisor may further assign the Lease to another person or entity to operate the Bricks & Minifigs® stores at the Accepted Location, subject to Landlord's consent, which consent will not be unreasonably withheld or delayed. Landlord agrees to sign such further documentation to confirm its consent to the assignments permitted under this Addendum as Franchisor may request.

8. Landlord and Franchisee hereby acknowledge that Franchisee has agreed under the Franchise Agreement that Franchisor and its employees or agents shall have the right to enter the Accepted Location for certain purposes. Landlord hereby agrees not to interfere with or prevent this entry by Franchisor, its employees, or its agents, onto the Accepted Location. Landlord and Franchisee hereby further acknowledge that in the event the Franchise Agreement expires (without renewal) or is terminated, Franchisee is obligated to take certain steps under the Franchise Agreement to de-identify the location as a Bricks & Minifigs® stores. Landlord agrees to permit Franchisor, its employees, or its agents, to enter the Accepted Location and remove signs (both interior and exterior), décor, and materials displaying any marks, designs, or logos owned by Franchisor, provided Franchisor shall bear the expense of repairing any damage to the Accepted Location as a result thereof.

9. Under the Franchise Agreement, any lease for the location of a Bricks & Minifigs® stores is subject to Franchisor's approval. Accordingly, the Lease is contingent upon this approval.

10. Upon Franchisor's request, Franchisee hereby authorizes and requires the Landlord to disclose to Franchisor, upon Franchisor's request, sales and other information that Franchisee furnishes to the Landlord.

11. Landlord agrees that Franchisor, or Franchisor's assignee or designee has the right (but not the obligation) to assume the Lease or sublease: (1) upon expiration or termination of the Franchise Agreement (without renewal) between Franchisee and Franchisor; (2) if Franchisee fails to exercise any options to renew or extend the Lease during the term of the Franchise Agreement between Franchisee and Franchisor; (3) if Franchisee commits a default that gives the Landlord the right to terminate the Lease or sublease; or (4) if Franchisor purchases Franchisee's Store (as permitted by the Franchise Agreement between Franchisor and Franchisee).

12. Landlord and Franchisee agree that if Landlord is an Owner or an Affiliate of the Franchisee, as defined in the Franchise Agreement, and Landlord proposes to sell the Accepted Location, before the sale of the Accepted Location, the Lease upon the request of the Franchisor shall be amended to reflect a rental rate and other terms that are the reasonable and customary rental rates and terms prevailing in the community where the Bricks & Minifigs® stores is located.

13. Landlord agrees that during and after the term of the Lease, it will not disclose or use Confidential Information (as defined below) for any purpose other than for the purpose of fulfilling Landlord's obligations under the Lease. "**Confidential Information**" as used herein shall mean all non-public information and tangible things, whether written, oral, electronic or in other form, provided or disclosed by or on behalf of Franchisee to Landlord, or otherwise obtained by Landlord, regarding the design and operations of the business located at the Accepted Location, including all information identifying or describing the floor plan, equipment, furniture, fixtures, wall coverings, flooring materials, shelving, decorations, trade secrets, trade dress, "look and feel," layout, design, formulas, manner of operation, suppliers, vendors, and all other products, goods, and services used, useful or provided by or for Franchisee on the Accepted Location. Landlord acknowledges that all Confidential Information belongs exclusively to Franchisor. Landlord agrees that should it breach or threaten to breach this provision of the Addendum,

Franchisor will suffer irreparable damages and its remedy at law will be inadequate. Therefore, if Landlord threatens or actually breaches this provision, Franchisor (which, along with successors and assigns, is an intended third-party beneficiary of the provisions of this paragraph), shall be entitled to all remedies available to Franchisor at law or in equity, including injunctive relief.

14. Landlord agrees to provide that a memorandum of the Lease be recorded in the appropriate recorder's office in the county in which the Store is located and that a copy of the recording certificate be sent to Franchisor.

15. Landlord acknowledges that it has reviewed the Approved Bricks & Minifigs Design and Signage Package. Landlord agrees and consents to Franchisee's use of one or more of the signs described in the Approved Bricks & Minifigs Design and Signage Package and all trade dress elements found in the same Approved Bricks & Minifigs Design and Signage Package as required by Franchisor.

16. Copies of any and all notices required or permitted hereby or by the Lease shall also be sent to Franchisor at:

BAM Franchising, Inc.
225 West 520 North
Orem, Utah 84057

with a copy to General Counsel at the same address or such other address as Franchisor shall specify by written notice to Landlord.

WITNESS the signing hereof under seal.

LANDLORD:	FRANCHISEE
_____	_____
(Name of corporation, partnership, limited liability company or other legal entity	(Name of corporation, partnership, limited liability company or other legal entity
By: _____	By: _____
Print Name: _____	Print Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

EXHIBIT E

INVESTOR PERSONAL COVENANTS REGARDING CONFIDENTIALITY & NON-COMPETITION

In conjunction with your investment in _____ ("Franchisee") a _____ [Utah limited liability company, etc.], you ("Investor" or "you"), acknowledge and agree as follows for the benefit of BAM Franchising, Inc. ("Franchisor"):

1. Franchisee owns and operates, or is developing, a Bricks & Minifigs® stores located at, or to be located at, _____ pursuant to a franchise agreement dated _____, 20____ ("Franchise Agreement") with Franchisor, which Franchise Agreement requires persons with legal or beneficial ownership interests in Franchisee under certain circumstances to be personally bound by the confidentiality and non-competition covenants contained in the Franchise Agreement. All capitalized terms contained herein shall have the same meaning set forth in the Franchise Agreement.

2. You own or intend to own the percentage legal or beneficial ownership interest in Franchisee, set forth beneath your signature below, and acknowledge set forth below your signature below and agree that your signing of this Agreement is a condition to this ownership interest and that you have received good and valuable consideration for signing this Agreement. Franchisor may enforce this Agreement directly against you and your Owners (as defined below).

3. If you are a corporation, partnership, limited liability company or other entity, all persons who have a legal or beneficial interest in you ("Owners") must also sign this Agreement.

4. You and your Owners, if any, may gain access to parts of our Confidential Information as a result of investing in Franchisee. The Confidential Information is proprietary and includes Bricks and Minifigs® trade secrets. You and your Owners hereby agree that while you and they have a legal or beneficial ownership interest in Franchisee and thereafter you and they: (a) will not use the Confidential Information in any other business or capacity (such use being an unfair method of competition); (b) will maintain the confidentiality of the Confidential Information; and (c) will not make unauthorized copies of any portion of the Confidential Information disclosed in written, electronic or other form. If you or your Owners cease to have an interest in Franchisee, you and your Owners, if any, must deliver to us any Confidential Information in your or their possession or control.

5. During the term of the Franchise Agreement and during this time as you and your Owners, if any, have any legal or beneficial ownership interest in Franchisee, you and your Owners, if any, agree that you and they will not, without Franchisor's written consent (which consent may be withheld at Franchisor's discretion) directly or indirectly (such as through an Affiliate or through your or their Immediate Families) own any legal or beneficial interest in, or render services or give advice in connection with: (a) any Competitive Business located anywhere; or (b) any entity located anywhere which grants franchises, or licenses to others to operate any Competitive Business.

6. For a period of two years, starting on the earlier to occur of the date you or Owners cease to have any legal or beneficial ownership interest in Franchisee and the effective date of termination or expiration (without renewal) of the Franchise Agreement, neither you nor any of your Owners directly or indirectly (such as through an Affiliate or through you or their Immediate Families) shall own a legal or beneficial interest in, or render services or give advice to: (a) any Competitive Business operating within a radius of five miles of any Bricks & Minifigs® store then in operation or under construction; (b) any entity which grants franchises or licenses other interests to others to operate any Competitive Business; or (c) recruit or hire any person who is an employee of yours, ours or of any Bricks & Minifigs® store operated by us, our Affiliates or any franchisee of ours without obtaining the employer's consent, which consent may be withheld for any reason. If you or any of your Owners fail to or refuse to abide by any of the foregoing covenants and Franchisor obtains

enforcement in a judicial proceeding, the obligations under the breached covenant will continue in effect for a period of time ending two years after the date of the order enforcing the covenant.

7. You and each of your Owners expressly acknowledge the possession of skills and abilities of a general nature and the opportunity to exploit these skills in other ways, so that enforcement of the covenants contained in Sections 5 and 6 will not deprive any of you of your personal goodwill or ability to earn a living. If any covenant herein which restricts competitive activity is deemed unenforceable by virtue of its scope or in terms of geographic area, type of business activity prohibited and/or length of time, but could be rendered enforceable by reducing any part or all of it, you and we agree that it will be enforceable to the fullest extent permissible under applicable law and public policy. In addition to relief as may be available at equity or law, Franchisor may obtain in any court of competent jurisdiction any injunctive relief, including temporary restraining orders and preliminary injunctions, against conduct or threatened conduct for which no adequate remedy at law may be available or which may cause it irreparable harm. You and each of your Owners acknowledge that any violation of Sections 4, 5, or 6 hereof would result in irreparable injury for which no adequate remedy at law may be available. If Franchisor files a claim to enforce this Agreement and prevails in this proceeding, you must reimburse Franchisor for all its costs and expenses, including reasonable attorneys' fees.

8. This Confidentiality and Non-Competition Agreement does not supersede nor cancel any prior understandings and agreements you and your Owners had with respect to these matters, including any provision of the Franchise Agreement and the Prospective Candidate Confidentiality Agreement previously entered into pertaining to confidentiality. You and your Owners have read this Confidentiality and Non-Competition Agreement thoroughly, understand it, and sign it freely and voluntarily.

(Signatures on following page)

IN WITNESS WHEREOF, the undersigned have signed this Agreement on the date first above written.

INVESTOR

If an individual

By: _____
Print Name: _____
Title: _____
Date: _____
% Ownership of Franchisee: _____

If a corporation, partnership, limited liability company or other legal entity

_____
(Name of corporation, partnership, limited liability company or other legal entity)
By: _____
Print Name: _____
Title: _____
Date: _____
% Ownership of Franchisee: _____

OWNERS

By: _____
Print Name: _____
Title: _____
Date: _____

By: _____
Print Name: _____
Title: _____
Date: _____

By: _____
Print Name: _____
Title: _____
Date: _____

By: _____
Print Name: _____
Title: _____
Date: _____

EXHIBIT F

AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS
(DIRECT DEBITS)

Important Instructions for Completing this Form: Before we can process your Franchise Agreement, you must sign and return this authorization. If, at the time you sign your Franchise Agreement, you do not have your account set up, or if you do not yet know your account information, please show that you agree to the terms of this authorization by signing this form, leaving the account information blank, and returning the signed form with your Franchise Agreement. You can give us your account information when you receive it, but we must have the information before you open your Store. If you have any questions about what this form means, you should get advice from your lawyer, your accountant or your bank.

Your Name (or name of legal entity on Franchise Agreement): _____
Your Social Security Number (or legal entity Federal Tax ID Number): _____
Name on Bank Account (if different than above): _____

The undersigned ("ACCOUNT HOLDER") hereby authorizes BAM Franchising, Inc. ("COMPANY") to initiate debit entries and/or credit correction entries to ACCOUNT HOLDER's checking and/or savings account(s) listed below at the bank, credit union or other depository listed below ("BANK") and to debit this account per COMPANY's instructions for any and all amounts due to COMPANY. The ACCOUNT HOLDER understands that all amounts debited from the account below will be credited to COMPANY's account. INSTEAD OF COMPLETING THE INFORMATION REQUIRED ON THE FOLLOWING FOUR LINES, YOU MAY ATTACH A CANCELLED OR VOIDED CHECK TO THIS AUTHORIZATION, BECAUSE A VOIDED CHECK INCLUDES ALL OF THIS INFORMATION.

_____ _____
NAME OF BANK Branch

_____ _____ _____
City State Zip Code

_____ _____
Telephone Number of Bank Contact Person at Bank

_____ _____
Bank Transit/ABA Number Account Number

This authority is to remain in effect until BANK has received joint written notice from COMPANY and ACCOUNT HOLDER of the ACCOUNT HOLDER's termination. Any termination notice must be given in a way as to give BANK a reasonable opportunity to act on it. If a debit entry is initiated to ACCOUNT HOLDER's account in error, ACCOUNT HOLDER shall have the right to have the amount of the error credited to the account by BANK, if (a) within 15 calendar days following the date on which BANK sent to ACCOUNT HOLDER a statement of account or a written notice regarding this entry or (b) 45 days after posting, whichever occurs first, ACCOUNT HOLDER shall have sent to BANK a written notice identifying this entry, stating that this entry was in error and requesting BANK to credit the amount thereof to this account. These rights are in addition to any rights ACCOUNT HOLDER may have under federal and state banking laws.

_____
ACCOUNT HOLDER

By: _____
Title: _____ Date: _____

EXHIBIT G

SITE SELECTION ADDENDUM

BAM Franchising, Inc., ("we", "us", the "Company" or "Franchisor") and _____ _____, ("you" or "Franchisee") have, this ___ day of _____, 20___, entered into a certain Labyrinth Franchise Agreement ("Franchise Agreement") and desire to supplement its terms, as set out below. The Parties therefore agree as follows:

1. Criteria for Site Approval.

You agree that within _____ (____) days after the signing of the Franchise Agreement, you will locate and obtain our approval for a site within the Territory for the establishment of your Store. For purposes of this Agreement, "Territory" is defined as _____.

You must submit to us the following:

(a) a complete a site proposal form containing population, growth, income, and other potential customer demographics information, traffic patterns, access, visibility, location of other retail Store and relative sales performance (including other Bricks & Minifigs® stores) and size, condition, configuration, appearance and other physical characteristics of the site and all other information that we reasonably require for the site;

(b) if the Accepted Location for the proposed site are to be leased, satisfactory evidence that the lessor will agree to the minimum requirements contained in the Lease Addendum to be signed between us, you and the lessor, attached to the Franchise Agreement as Exhibit D; and

(c) any other information or materials as we may require, such as a letter of intent or other document which confirms your favorable prospects for obtaining the proposed site.

2. Site Approval.

We will approve or reject each site for which you submit to us a complete Site Proposal Package in accordance with Section 4A of the Franchise Agreement and, if we approve the site, we will do so by delivering our standard Site Approval Letter. Our Site Approval Letter, duly signed by us, is the exclusive means by which we approve a proposed site, and no other direct or indirect representation, approval or acceptance, whether in writing or verbally, by any of our officers, employees or agents, shall be effective or bind us. We will use all reasonable efforts to make a site approval decision and, if the site is approved, deliver a Site Approval Letter to you within 30 days after we receive the complete Site Proposal Package and any other materials we have requested. In deciding whether to approve or reject a site you propose, we may consider such factors as we, in our sole discretion, deem appropriate, including the general location and neighborhood, population, growth, income, and other potential customer demographics information, traffic patterns, access, visibility, location of other Store (including other Bricks & Minifigs® stores) and size, condition, configuration, appearance and other physical characteristics of the site. Neither our approval of a proposed site, nor any information communicated to you regarding our standard site selection criteria or the proposed site, constitutes a warranty or representation of any kind, express or implied, as to the suitability of the proposed site, but merely signifies that we are willing to grant a franchise for a Bricks & Minifigs® stores at that location in accordance with the terms of the Franchise Agreement. Your decision to develop and operate a Bricks & Minifigs® store at any site is based solely on your own independent investigation of the suitability of the site for a Bricks & Minifigs® store. In consideration of our approval of a proposed site, you and your Owners agree to release us, and our Affiliates, shareholders, members, officers, directors, employees, agents, successors and assigns from any and all loss, damages and liability arising from or in connection with the selection and/or approval of this site for the development of a Bricks & Minifigs® store.

3. Costs of On-Site Evaluation.

We may also provide an on-site evaluation of sites proposed pursuant hereto as we deem necessary or appropriate. If we deem it necessary to provide an on-site evaluation of the proposed site, you must coordinate and arrange for the visit by our representative or agent and may be required to pay our related travel expenses.

4. Extensions.

Upon your written request, we, at our sole discretion and without obligation, may grant a written extension or extensions to the period for approval of a proposed site.

5. Purchase Agreement/Lease.

You must lease, sublease or purchase the Accepted Location within 180 days after signing the Franchise Agreement. We have the right to approve the terms of any lease, sublease or purchase contract for the Accepted Location, and you must deliver a copy to us for our approval before you sign it. You agree that any lease or sublease for the Accepted Location must, in form and substance, be satisfactory to us, include all of the provisions set forth on Exhibit D. You may not sign a lease, sublease or purchase contract or any modification thereof without our approval. Our approval of the lease, sublease, or purchase contract does not constitute a warranty or representation of any kind, express or implied, as to its fairness or suitability or as to your ability to comply with its terms. We do not, by virtue of approving the lease, sublease or purchase contract, assume any liability or responsibility to you or to any third parties. You must deliver a copy of the fully signed lease, sublease, or purchase contract to us within five days after its signing. If you, one of your Owners, or one of your Affiliates at any time owns the Accepted Location, you must immediately notify us and we may require that you or such Owner or Affiliate (1) enter into an agreement with us in recordable form granting us the right and option, in the event of a termination (for whatsoever reason) of the Franchise Agreement, to lease the Accepted Location at fair market rental rates for a term coterminus with the term of the Franchise Agreement for these Accepted Location; or (2) enter into a prime lease with us at fair market rental rates for a term coterminus with the term of the Franchise Agreement for these Accepted Location and a sublease with us on the same terms as the prime lease. The prime lease and sublease referenced in the preceding sentence shall be on the then current lease and the sublease forms used by us.

If the lease for your Store expires or is terminated before the end of the term, you may move your Store to another location chosen in accordance with our site evaluation and approval process found in Section 4A of the Franchise Agreement. The new location (1) must be in the original Store's Territory, as determined by us, and (2) may in no case infringe upon a franchise agreement or other agreement applicable to another Store.

If you lose possession of your Store's Accepted Location because the lease expired by its terms, or on account of condemnation or eminent domain proceedings, or as the result of early termination pursuant to Section 14 of the Franchise Agreement, you must initiate the relocation procedure in time to lease, build-out and open your Store for business within 60 days after the original Store closes. If your lease is terminated on account of a fire or other casualty, you must initiate the relocation procedure in time to lease, build-out and open your Store for business within 120 days after the lease for the original Store terminates.

6. Affect and Interpretation.

This Addendum will be considered an integral part of the Franchise Agreement between the Parties, and the terms of this Addendum will be controlling with respect to the subject matter hereof. Except as modified or supplemented by this Addendum, the terms of the Franchise Agreement are hereby ratified and confirmed.

(Signatures on following page)

IN WITNESS WHEREOF, the Parties have signed and delivered this Agreement on the day and year first above written.

FRANCHISOR	**FRANCHISEE**
BAM FRANCHISING, INC., an Oregon corporation	_____ (Name of corporation, partnership, limited liability company or other legal entity)
By: _____	By: _____
Print Name: _____	Print Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

EXHIBIT H

ASSIGNMENT OF TELEPHONE NUMBER(S)

This Assignment relates to:

Name of Franchisee: _____

Address of Store: _____

Telephone Number(s): (___) ___-_____; (___) _____-_____; (___) _____-_____

For valuable consideration, the Franchisee identified above ("Franchisee") assigns and transfers to BAM Franchising, Inc., (the "Company") all of Franchisee's rights and interests in each and all of the telephone numbers listed above (the "Numbers").

Franchisee authorizes the Company to file this Assignment with the telephone company that issued the Numbers for the purposes of establishing the Company's claim to and right to designate the user of the Numbers.

Franchisee irrevocably constitutes and appoints the Company as Franchisee's agent and attorney-in-fact for the purposes of (i) signing and delivering any Transfer of Service Agreement or comparable document the telephone company requires to transfer the rights in the Numbers from Franchisee to the Company or its designee, and (ii) canceling a revoking any call-forwarding or similar instructions Franchisee has issued to the telephone company with respect to any of the Numbers, with full power to sign Franchisee's name and otherwise to act in Franchisee's name, place, and stead.

Franchisee agrees to reimburse the Company the full amount of any local service and long distance charges the telephone company requires that the Company pay to obtain the Numbers, together with interest as provided in the Franchise Agreement for the Store.

Franchisee represents and warrants to the Company that Franchisee obtained the Numbers in his or her own name, and that Franchisee is the person of record the telephone company will recognize as registered user or "owner" of the Numbers.

FRANCHISEE:

_____
(Name of corporation, partnership, limited liability company or other legal entity)

By: _____
Print Name: _____
Title: _____
Date: _____

[EXHIBIT I has been deleted]

EXHIBIT J
SBA ADDENDUM
TO FRANCHISE[1] AGREEMENT

THIS ADDENDUM ("Addendum") is made and entered into on _____, 20__, by and between _____ ("Franchisor"), located at _____, and _____ ("Franchisee"), located at _____.

Franchisor and Franchisee entered into a Franchise Agreement on _____, 20__, (such Agreement, together with any amendments, the "Franchise Agreement"). Franchisee is applying for financing(s) from a lender in which funding is provided with the assistance of the U.S. Small Business Administration (SBA"). SBA requires the execution of this Addendum as a condition for obtaining SBA-assisted financing.

In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties agree that notwithstanding any other terms in the Franchise Agreement or any other document Franchisor requires Franchisee to sign:

CHANGE OF OWNERSHIP

- If Franchisee is proposing to transfer a partial interest in Franchisee and Franchisor has an option to purchase or a right of first refusal with respect to that partial interest, Franchisor may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of Franchisee. If the Franchisor's consent is required for any transfer (full or partial), Franchisor will not unreasonably withhold such consent. In the event of any approved transfer of the franchise interest or any portion thereof, the transferor will not be liable for the actions of the transferee franchisee.

FORCED SALE OF ASSETS

- If Franchisor has the option to purchase the business personal assets upon default or termination of the Franchise Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Franchisee owns the real estate where the franchise location is operating, Franchisee will not be required to sell the real estate upon default or termination, but Franchisee may be required to lease the real estate for the remainder of the franchise term (excluding additional renewals) for fair market value.

COVENANTS

- If the Franchisee owns the real estate where the franchise location is operating, Franchisor has not and will not during the term of the Franchise Agreement record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental use restrictions. If any such restrictions are currently recorded against the

[1] [1]While relationships established under license, jobber, dealer and similar agreements are not generally described as "franchise" relationships, if such relationships meet the Federal Trade Commission's (FTC's) definition of a franchise (see 16 CFR § 436), they are treated by SBA as franchise relationships for franchise affiliation determinations per 13 CFR § 121.301(f)(5).

Franchisee's real estate, they must be removed in order for the Franchisee to obtain SBA-assisted financing.

EMPLOYMENT

- Franchisor will not directly control (hire, fire or schedule) Franchisee's employees. For temporary personnel franchises, the temporary employees will be employed by the Franchisee not the Franchisor.

As to the referenced Franchise Agreement, this Addendum automatically terminates when SBA no longer has any interest in any SBA-assisted financing provide to the Franchisee.

Except as amended by this Addendum, the Franchise Agreement remain in full force and effect according to its terms.

Franchisor and Franchisee acknowledge that submission of false information to SBA, or the withholding of material information from SBA, can result in criminal prosecution under 18 U.S.C 1001 and other provisions, including liability for treble damages under the False Claims Act, 31 U.S.C. § § 3729-3733.

Authorized Representative of FRANCHISOR:

By:_____

Print Name:_____

Title:_____

Authorized Representative of FRANCHISEE:

By:_____

Print Name:_____

Title:_____

Note to Parties: This Addendum only address "affiliation" between the Franchisor and Franchisee. Additionally, the applicant Franchisee and the franchise system must meet all SBA eligibility requirement.

EXHIBIT B

DIRECTORY OF FEDERAL, STATE AND CANADIAN FRANCHISE REGULATORS

EXHIBIT B

DIRECTORY OF FEDERAL, STATE AND CANADIAN FRANCHISE REGULATORS

LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

The following table reflects our Agents for Service of Process and the Relevant State Franchise Authorities. We may not be registered to offer and sell franchises in all of these states:

STATE	REGISTERED AGENTS	REGULATORY AUTHORITIES
CALIFORNIA	California Commissioner of Financial Protection and Innovation Los Angeles: 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 (213) 576-7505 Sacramento: 2101 Arena Blvd. Sacramento, CA 95834 (916) 445-7205 San Diego: 1350 Front Street San Diego, CA 92101-3697 (619) 525-4233 San Francisco: One Sansome Street, Suite 600 San Francisco, CA 94105-2980 Toll-Free Number: 1-866-275-2677	Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013-1105 (213) 576-7505
CONNECTICUT	Connecticut Department of Banking 260 Constitution Plaza Hartford, CT 06103 (860) 240-8233 or (860) 240-8232	Banking Commissioner 260 Constitution Plaza Hartford, CT 06103 (860) 240-8233 or (860) 240-8232
FLORIDA	[Not Applicable]	Senior Consumer Complaint Analyst Department of Agriculture and Consumer Services Division of Consumer Services Mayo Building, Second Floor Tallahassee, Florida 32399-0800 (850) 922-2770

STATE	REGISTERED AGENTS	REGULATORY AUTHORITIES
HAWAII	Commissioner of Securities of the Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813-2921 (808) 586-2722	Commissioner of Securities of the Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813-2921 (808) 586-2722
ILLINOIS	Illinois Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Chief, Franchise Bureau Illinois Attorney General 500 South Second Street Springfield, IL 62706 (312) 814-3892
INDIANA	Secretary of State Administrative Offices of the Secretary of State 201 State House Indianapolis, IN 46204 (317) 232-6681	Securities Commissioner Securities Division Room E-111 302 West Washington Street Indianapolis, IN 46204 (317) 232-6681
IOWA	[Not Applicable]	Director of Regulated Industries Unit Iowa Securities Bureau 340 East Maple Des Moines, Iowa 50319-0066 (515) 281-4441
MARYLAND	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Commerce, Corporations and Securities Bureau 525 W. Ottowa 670 Law Building Lansing, MI 48913 (517) 373-7117	Franchise Administrator Consumer Protection Division Antitrust and Franchise Unit Michigan Department of Attorney General 670 Law Building Lansing, MI 48913 (517) 373-7117
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1600	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1600
NEBRASKA	[Not Applicable]	Staff Attorney Department of Banking and Finance 1200 N Street Suite 311 P.O. Box 95006 Lincoln, Nebraska 68509 (402) 471-3445

STATE	REGISTERED AGENTS	REGULATORY AUTHORITIES
NEW YORK	Secretary of State of the State of New York 99 Washington Avenue Albany, NY 12231	NYS Department of Law Investor Protection Bureau 28 Liberty St. 21st Floor New York, NY 10005 (212) 416-8236
NORTH DAKOTA	North Dakota Securities Commissioner Fifth Floor 500 East Boulevard Bismarck, ND 58505	Franchise Examiner Office of Securities Commissioner 600 East Boulevard, 5th Floor Bismarck, ND 58505 (701) 328-4712
OREGON	Director of Oregon Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 97310 (503) 378-4387	Department of Consumer and Franchise Services Division of Finance and Corporate Securities Labor and Industries Building Salem, OR 97310 (503) 378-4387
RHODE ISLAND	Director of Rhode Island Department of Franchise Regulation Division of Securities Suite 232 Providence, RI 02903 (401) 222-3048	Associate Director and Superintendent of Securities Division of Securities 233 Richmond Street, Suite 232 Providence, RI 02903-4232 (401) 222-3048
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563
TEXAS	[Not Applicable]	Secretary of State Statutory Document Section P.O. Box 12887 Austin, TX 78711 (512) 475-1769
UTAH	Ryan C. Combe Registered Agent 2181 Combe Road Ogden, Utah 84403	Division of Consumer Protection Utah Department of Commerce 160 East Three Hundred South P.O. Box 45804 Salt Lake City, Utah 84145-0804 (801) 530-6601
VIRGINIA	Clerk of the State Corporation Commission 1300 E. Main Street, 1st Floor Richmond, VA 23219 (804) 371-9733	State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street, 9th Floor Richmond, VA 23219 (804) 371-9051

STATE	REGISTERED AGENTS	REGULATORY AUTHORITIES
WASHINGTON	Director of Department of Financial Institutions Securities Division 150 Israel Rd. SW Tumwater, WA 98501 (360) 902-8760	Administrator Dept. of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98501 (360) 902-8760
WISCONSIN	Wisconsin Commissioner of Securities P.O. Box 1768 345 W. Washington Avenue, 4th Floor Madison, WI 53703 (608) 261-9555	Franchise Administrator Securities and Franchise Registration Wisconsin Securities Commission 345 W. Washington Avenue, 4th Floor Madison, WI 53703 (608) 261-9555
FEDERAL TRADE COMMISSION		Franchise Rule Coordinator Division of Marketing Practices Bureau of Consumer Protection Federal Trade Commission 600 Pennsylvania Avenue, NW Washington, DC 20580 (202) 326-2222

CANADA

Director of Franchises
Alberta Securities Commission Agency
21st Floor
10025 Jasper Avenue
Edmonton, Alberta T5J 3Z5

Director of Franchises
New Brunswick Securities Commission
Suite 300
85 Charlotte Street
Saint John, New Brunswick 32L 2J2
(506) 658-3060

Director of Franchises
Ontario Securities Commission
Suite 1903
20 Queen Street, West
Toronto, Ontario MSH 3S8
(416) 593-8314

Office of the Attorney General
Consumer, Corporate, and Insurance Division
PEI Securities Office
P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8
(902) 368-4569

EXHIBIT C

DISCLOSURE ACKNOWLEDGMENT AND AGREEMENT

EXHIBIT C

DISCLOSURE ACKNOWLEDGMENT AND AGREEMENT

1. **BAM FRANCHISING, INC.** ("***Franchisor***" and "***we/us***") through the use of this document, desires to ascertain that _____ and your owners and officers (collectively "***You***") fully understand and comprehend that the purchase of a Bricks and Minifigs franchise is a business decision, complete with its associated risks.

2. You recognize that business risks, which exist in connection with the purchase of any business, make the success or failure of a Bricks and Minifigs franchise subject to many variables, including your skills and abilities, the hours you work, competition, interest rates, the economy, inflation, store location, operating costs, lease terms and costs, and the market place. You acknowledge your willingness to undertake these business risks.

3. You acknowledge that you received a copy of our Franchise Disclosure Document, which includes a copy of the form of Franchise Agreement and audited financials of BAM FRANCHISING, INC. You acknowledge that you have personally and carefully reviewed all of this document.

4. You acknowledge that we have advised you to seek professional assistance, to have professionals review the documents, and to have them consult with you regarding the risks associated with the purchase of the franchise.

5. You represent to us that your decision to enter into this business risk is in no manner predicated upon any representations, assurances, warranties, guarantees, or promises made by us or our representatives that are not set forth in our Franchise Disclosure Document or Franchise Agreement, such as representations as to the likelihood of success of the franchise. You further acknowledge that you have not received any information concerning actual, average, projected, or forecasted franchise sales, profits, or earnings except for those set forth in our Franchise Disclosure Document. If you believe that you have received any information concerning actual, average, projected, or forecasted franchise sales profits or earnings other than as set forth in our Franchise Disclosure Document, please describe these in the space provided below or write "None."

_____
_____
_____

Acknowledged and accepted on the following date: _____

FRANCHISEE:

Signed: _____

Printed Name: _____

Title: _____

Date: _____

OWNERS:

Signed: _____

Printed Name: _____

Date: _____

Signed: _____

Printed Name: _____

Date: _____

EXHIBIT D

STATE LAW ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

EXHIBIT D

STATE LAW ADDENDA
TO
FRANCHISE DISCLOSURE DOCUMENT
AND
FRANCHISE AGREEMENT

California

Add to the Disclosure Document item 3, litigation, ¶ (c), that neither FRANCHISOR nor any of the persons affiliated with FRANCHISOR set forth in Section 2 of the Disclosure Document are subject to any currently effective order of any National Securities Exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78, et seq. suspending or expelling such persons from membership in such association or exchange.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

The Franchise Agreement contains a covenant not to compete, which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

Each owner of the franchise is required to execute a personal guarantee. Doing so could jeopardize the marital assets of non-owner spouses domiciled in a community property state such as California.

The Franchise Agreement requires application of the laws of Utah. This provision may not be enforceable under California law.

Section 31125 of the California Corporation Code requires the franchisor to give the franchisee a disclosure document, in a form and containing such information as the Commissioner may by rule or order require, prior to solicitation of a proposed material modification of an existing franchise.

You must sign a general release if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§31 000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).

The franchise agreement requires binding arbitration. The arbitration will occur at Utah with the costs being borne by the party initiating the dispute. Prospective franchisees are encouraged to consult 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 the Franchise Agreement restricting venue to a forum outside of the State of California.

The Franchise Agreement may contain a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable**.**

Item 5 of the Disclosure Document is amended to include the following language:

The Franchise Agreement requires franchisee to execute a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order there under is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000-31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 -20043).

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.)

The franchise agreement requires binding arbitration. The arbitration will occur in Utah County, Utah with the costs being borne by the prevailing party.

No-poaching provisions in contracts are against California public policy. Therefore, we will not enforce the no-poaching provision in California.

No disclaimer, questionnaire, clause, or statement signed by a franchisee or prospective franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

OUR URL IS: www.BricksandMinifigs.com 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

Despite any provision in the Franchise Agreement to the contrary, the current maximum rate of interest in California is 10% per year.

State Cover Page Risk Factors: WE DO NOT HAVE A FEDERAL REGISTRATION FOR OUR "BRICKS & MINIFIGS" STANDARD CHARACTER MARK. THEREFORE, OUR TRADEMARK DOES NOT HAVE AS MANY LEGAL BENEFITS AND RIGHTS AS A FEDERALLY REGISTERED TRADEMARK. IF OUR RIGHT TO USE THE TRADEMARK

IS CHALLENGED, YOU MAY HAVE TO CHANGE TO AN ALTERNATIVE TRADEMARK, WHICH MAY INCREASE YOUR EXPENSES.

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

Georgia

DISCLOSURES REQUIRED BY GEORGIA LAW

The State of Georgia has not reviewed and does not approve, recommend, endorse, or sponsor any business opportunity. The information contained in this disclosure has not been verified by the state. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

If, for any reason, any provision set forth in the Franchise Agreement (including those related to in-term and post-term covenants against competition and non-disclosure and non-use of confidential information) exceeds any lawful scope or limit as to duration, geographic coverage, specificity, or otherwise, it is agreed that the provision will nevertheless be binding to the full scope or limit allowed by law or by a court of law. Indeed, the parties acknowledge their desire and intent that such provisions be modified by a court or arbitrator to comply with Georgia law if needed. The duration, geographic coverage and scope allowable by law or court of law will apply to this Agreement.

Idaho

Any condition in a franchise agreement executed by a resident of Idaho or a business entity organized under the laws of Idaho is void to the extent it purports to waive venue or jurisdiction of the Idaho court system. Venue and jurisdiction will be in Idaho if the franchisee is an Idaho resident or a business entity organized under the laws of Idaho.

Illinois

Illinois law shall apply to and govern the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisees' 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

Maryland

The Disclosure Document (Item 17) and Franchise Agreement are amended to include that any provision which provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

Pursuant to COMAR 02.02.08.16L, the general release required as a condition of renewal, relocation, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law. Item 17 of the Disclosure Document and Sections 7.2, 22.1 and 22.2 to the Franchise Agreement are amended to the extent required by Maryland law.

Provisions in the Disclosure Document (Item 17) and Franchise Agreement requiring franchisee to file any lawsuit in a court in the State of Utah may not be enforceable under the Maryland Franchise Registration and Disclosure Law. Franchisees may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. The Disclosure Document (Item 17) and Franchise Agreement are amended accordingly, to the extent required by Maryland law.

Any provisions in the Disclosure Document (including Items 5, 11, 17 and 22) and Franchise Agreement requiring Franchisee to assent to any release, estoppel or waiver of liability as a condition of purchasing a franchise shall not apply under the Maryland Franchise Registration and Disclosure Law and are amended to the extent required by Maryland law.

Michigan

The State of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are included in these franchise documents, the provisions are void for Michigan franchisees and cannot be enforced against Michigan franchisees. These provisions are:

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

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in the Michigan Franchise investment law. This will not preclude a franchisee, after entering into a Franchise Agreement, from settling any and all claims.

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

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures,

and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if:

(i) The term of the franchise is less than 5 years, and

(ii) The franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise, or the franchisee does not receive at least six months' advance notice of the franchisor's intent not to renew the franchise.

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

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

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

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

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

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

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

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

appraised value of assets if the franchisee has breached the lawful provisions of the Franchise Agreement and has failed to cure the breach in the manner provided in subdivision (c).

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

The fact that there is a notice of this offering on file with the Attorney General does not constitute approval, recommendation or endorsement by the Attorney General. A franchisor whose most recent financial statements are unaudited and show a net worth of less than $100,000 will, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of the escrow. Any questions regarding this notice should be directed to the Department of the Michigan Attorney General, 6520 Mercantile Way, Suite 3, Lansing, Michigan 48913; (517) 373-3800.

The name and address of the franchisor's agent in Michigan authorized to receive service of process is:

Michigan Department of Commerce
Corporation and Securities Bureau
Office of Franchise and Agent Licensing
6546 Mercantile Way
P. O. Box 30222
Lansing, Michigan 48910

Minnesota

Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J, may prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Agreement 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 the jurisdiction.

In accordance with Minnesota Rule 2860.4400J, and to the extent required by law, the Disclosure Document and the Franchise Agreement are modified so that the franchisor cannot require a franchisee to waive his or her rights to a jury trial or to waive rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or to consent to liquidated damages, termination penalties, or judgment notes; provided that this part shall not bar an exclusive arbitration clause.

All statements in the Disclosure Document and Franchise Agreement that state that franchisor is entitled to injunctive relief are amended to read "franchisor may seek injunctive relief"; and a court will determine if a bond is required.

Minnesota Rule 2860.4400D prohibits the franchisor from requiring a franchisee to assent to a general release. The Disclosure Document and Franchise Agreement are modified accordingly, and to the extent required by law.

Pursuant to Minn. Stat. Sec. 80C.12, Subdivision 1(g), to the extent required by this Minnesota law, the Franchise Agreement and Item 13 of the Disclosure Document are amended to state that the franchisor will protect your right to use the primary trademark, service mark, trade name, logotype or other commercial symbol or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Franchisor's primary trade name.

We will comply with Minnesota Statute 80C.14 subdivisions 3, 4, and 5, which require except in certain specific 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 Franchise Agreement.

New York

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

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.

3. 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.

3. 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.

4. 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.

5. 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.

North Carolina

FDD Cover Page

DISCLOSURES REQUIRED BY NORTH CAROLINA LAW.

The State of North Carolina has not reviewed and does not approve, recommend, endorse or sponsor any business opportunity (or franchise). The information contained in this disclosure has not been verified by the State. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

North Dakota

The Disclosure Document and Franchise Agreement provide for arbitration and mediation of disputes to be held in Utah County, Utah. These provisions may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are amended accordingly to the extent required by law.

Sections of the Disclosure Document and Franchise Agreement relating to jurisdiction of courts in Utah County, Utah, may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Sections of the Disclosure Document and Franchise Agreement requiring franchisee to sign a general release upon renewal of the Franchise Agreement may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are amended accordingly to the extent required by law.

Sections of the Disclosure Document and agreement stipulating that the franchisee shall pay all costs and expenses incurred by Franchisor in enforcing the agreement may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are amended accordingly to the extent required by law.

Provisions of the Disclosure Document and Franchise Agreement that require the franchisee to consent to termination or liquidated damages (if applicable) have been determined by the North Dakota Securities Commissioner to be unfair, unjust and inequitable within the intent of Section 15-19-09 of the North Dakota Franchise Investment Law and therefor are not enforceable in North Dakota. They are by this reference deleted from the Disclosure Document and Franchise Agreement.

Covenants not to compete such as those contained in the Franchise Agreement may not be unenforceable in the State of North Dakota.

The governing law or choice of law clauses in Item 17w of the Disclosure Document and Section 25 of the Franchise Agreement granting authority to a state other than North Dakota may not be enforceable and are amended accordingly to the extent required by North Dakota franchise law.

Disclosure Document Item 5 and Franchise Agreement Section 9: All Initial Franchise Fees will be due and payable only after the Franchisor has fulfilled all initial obligations owed to the Franchisee

under the Franchise Agreement or other documents and the Franchisee has commenced doing business pursuant to the Franchise Agreement.

Rhode Island

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act." The Disclosure Document and Franchise Agreement are amended accordingly to the extent required by law.

South Dakota

Termination provisions covering breach of the Franchise Agreement, failure to meet performance and quality standards and failure to make royalty payments contained in the Disclosure Document or Franchise Agreement must give a franchisee thirty (30) days' written notice with an opportunity to cure the default prior to termination.

Post-termination covenants not to compete may be unenforceable under South Dakota law. Sections of the Disclosure Document and Franchise Agreement containing post-termination covenants not to compete are amended to the extent required by South Dakota law.

Sections of the Disclosure Document and Franchise Agreement requiring mediation or arbitration of disputes to be held in Utah County, Utah may not be enforceable and are amended accordingly to the extent required by South Dakota franchise law.

Sections of the Disclosure Document and Franchise Agreement requiring jurisdiction or venue in Utah County, Utah may not be enforceable and are amended accordingly to the extent required by South Dakota law.

Any provisions contained in the Disclosure Document and the Franchise Agreement that provide that the parties' waive their right to claim punitive, exemplary, incidental, indirect, or consequential damages or any provisions that provide that the parties' waive their right to a jury trial, may not be enforceable and are amended to the extent required by South Dakota franchise law.

The governing law or choice of law clauses described in the Disclosure Document and contained in the Franchise Agreement granting authority to a state other than South Dakota may not be enforceable and are amended accordingly to the extent required by South Dakota franchise law.

Washington

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.

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.

Wisconsin

With respect to franchise agreements governed by Wisconsin law, the following shall supersede any inconsistent provision:

> The Wisconsin Fair Dealership Law applies to most franchise agreements in the state and prohibits termination, cancellation, nonrenewal or substantial change in the competitive circumstances of a dealership agreement without good cause. The Law further provides that 90 days' prior written notice of the proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is so cured the notice is void. Item 17 of the Disclosure Document and the corresponding section of the Franchise Agreement are hereby modified to state that the Wisconsin Fair Dealership Law, to the extent applicable, supersedes any provisions in the Franchise Agreement that are inconsistent with that Law. Wis. Stats. Ch. 135, the Wisconsin Fair Dealership Law. SEC 32.06(3), Wis. Adm. Code.

Acknowledgment

The franchisee acknowledges receipt of this Addendum.

It is agreed that the applicable foregoing state law addendum for the State of _____, if any, supersedes any inconsistent portion of the Franchise Agreement (to which this addendum is attached) ("FA") of this same date, and of the Franchise Disclosure Document ("FDD"). All terms of the Franchise Agreement, including these State Law Addendum provisions for the relevant state, have been agreed to at the time the Franchise Agreement was signed, to the extent that they are valid requirements of an applicable, effective, and enforceable state law. However, this addendum will have effect only if the Franchise Agreement or our relationship with you satisfies all of the jurisdictional requirements of the relevant state's franchise laws, without considering this addendum.

DATED this ___ day of _____, 20___.

FRANCHISOR: BAM Franchising, Inc.

Signed: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE

Signed: _____

Name: _____

Title: _____

Date: _____

Signed: _____

Name: _____

Date: _____

Signed: _____

Name: _____

Date: _____

EXHIBIT E

OPERATIONS MANUAL
TABLE OF CONTENTS

EXHIBIT E

OPERATIONS MANUAL
TABLE OF CONTENTS

1 Introduction 6
(3 Pages)
1.1 WHO WE ARE
1.2 OUR HISTORY
1.3 PURPOSE
1.4 BAM CORE PRINCIPLE
1.5 IMPORTANT VIEWPOINTS TO CONSIDER
1.6 LEGAL OVERVIEW
2 Financial & Accounting Guidelines 9
(3 Pages)
2.1 BOOKKEEPING
2.2 TAXES, TAXES, TAXES
2.3 FINANCIAL STATEMENTS
2.4 MISCELLANEOUS ACCOUNTING
3 Internal Communication 12
(2 Pages)
3.1 EMAIL COMMUNICATION
3.2 SLACK
3.3 PHONE
3.4 SCHEDULED VIDEO CONFERENCE CALL
3.5 EMERGENCY ISSUES
4 The BAM Difference 14
(1 Pages)
4.1 FOUR BIG POINTS OF DIFFERENTIATION:
5 Customer Service 15
(3 Pages)
5.1 CUSTOMER SERVICE FREQUENTLY ASKED QUESTIONS (FAQS)
6 Safety & Quality Control 18
(1 Pages)
7 BAM Customers 19
(5 Pages)
7.1 PRIMARY USER GROUPS OF CUSTOMERS IN LEGO® WORLD
7.1.1 My Own Creation Builders (MOC)
7.1.2 Fans of Pre-Made official LEGO®
7.1.3 Minifigure Collectors
7.2 CUSTOMERS WHO SHOP IN OUR STORE
7.2.1 Kids
7.2.2 Teens
7.2.3 Adults
7.2.4 Seniors
7.2.5 Resellers
7.2.6 Collectors

7.3 GENERAL SALES GUIDELINES AND ADVICE
8 Product Presentation & Merchandising 24
(10 Pages)
8.1 PRESENTATION OF STORE - GENERAL STORE APPEARANCE
8.2 PRESENTATION OF NEW SETS
8.3 PRESENTATION OF USED SETS
8.3.1 Certified Used Sets
8.3.2 Used Sets Display Tips
8.3.3 Display Case Guidelines
8.3.4 Price Tags
8.4 PRESENTATION OF MINIFIGURES (ALSO KNOWN AS "MINIFIGS")
8.4.1 General Minifig Presentation & Display Guidelines
8.4.2 Displays and Cases for Minifigs
9 The Daily Store Operations 34
(6 Pages)
9.1 PRE-OPEN
9.2 OPENING
9.3 WHILE OPEN
9.3.1 Customer Service
9.3.2 Cash Register Basics
9.3.3 Phone Etiquette
9.3.4 Operational Activities
9.3.5 Online Activities
9.4 CLOSING
9.5 POINT OF SALE SYSTEM GENERAL INFORMATION
9.6 DAILY CASH SALES
9.7 OFFICE & BAM-BRANDED SUPPLIES
10 Product Categorization 41
(17 Pages)
10.1 THEMES
10.2 MINIFIGURES (ALSO KNOWN AS "MINIFIGS")
10.3 NEW SETS
10.4 USED SETS
10.5 BULK BRICK & PIECES
10.6 WEAPONS & ACCESSORIES
10.7 MISCELLANEOUS
10.8 ORIGINAL BOXES
11 Purchasing New and Used product 58
(16 Pages)
11.1 PURCHASING NEW SETS (FROM OUTSIDE THE STORE)
11.2 PURCHASING USED SETS FROM CUSTOMERS
11.3 PURCHASING USED BULK
11.4 PURCHASING MINIFIGS
11.5 NEGOTIATING TACTICS WHEN PURCHASING
11.6 STEPS FOR HANDLING THE PURCHASING & TRADE-IN TRANSACTIONS
11.6.1 For cash purchases:
11.6.2 For store trades:
12 Processing Store Buys 74

(5 Pages)
12.1 GENERAL GUIDELINES
12.2 PROCESSING NEW SETS
12.3 PROCESSING USED SETS
12.4 PROCESSING BULK
12.5 PROCESSING MINIFIGS
12.6 CLEANING LEGO® IN YOUR STORE
13 Pricing ... 79
(3 Pages)
13.1 GENERAL PRICING GUIDELINES
13.2 PRICING MINIFIGS
13.3 PRICING USED SETS
13.4 PRICING BULK
13.5 PRICING RETIRED, SEALED SETS
14 Inventory Management ... 81
(3 Pages)
14.1 END-OF-YEAR INVENTORY REPORTING
15 Marketing & Advertising ... 84
(4 Pages)
15.1 LEGO® GROUP'S FAIR PLAY STANDARDS
15.2 GENERAL MARKETING GUIDELINES
15.3 COMMON ADVERTISING METHODS
16 Events & Parties ... 88
(4 Pages)
16.1 BIRTHDAY PARTIES
16.2 ON-SITE EVENTS
16.3 OFF-SITE EVENTS
16.4 "CONS" (CONVENTIONS AND SHOWS)
17 References & Resources ... 92
(2 Pages)
18 Appendix A: Franchise Leasing Notes ... 94
(1 Page)
19 Appendix B: Pre-Opening Checklist ... 95
(3 Pages)
20 Appendix C: Punch list of Items Needed to Open ... 97
(2 Pages)
20.1 PRODUCT:
20.2 OFFICE SUPPLIES
20.3 SIGNAGE
21 Appendix D: What Your Store Should Have ... 99
(2 Pages)
22 Appendix E: New Franchise First Steps ... 101
(3 Pages)
23 Glossary ... 104
(3 Pages)

EXHIBIT F

LIST OF FRANCHISED OUTLETS
AS OF DECEMBER 31, 2020

Arizona

Jennifer Pyer
1721 N. Dysart Rd. Suite 108
Avondale, Arizona 85392
623-518-3113

Rebecca and Jerry Burnett
6145 E Broadway Blvd
Tucson, Arizona 85711
520-372-7733

California

Jason and Kristen Messer
2250 Commerce Ave., Suite B
Concord, California 94520
925-825-1954

Jason and Kristen Messer
1140 N. Main St.
Manteca, California 95336
209-624-3462

Nancy Randle and Gina Hendricks
1105 S. Euclid, Suite B
Fullerton, California 92832
657-378-9777

Colorado

Thomas and Lindsey Hayden
8966 W. Bowles Ave., Suite V
Littleton, Colorado 80123
720-484-5700

Rick Snyder
449 N. Denver Ave.
Loveland, Colorado 80538
970-888-3783

Illinois

Ryan Linsner
20647 Renwick Rd.
Crest Hill, Illinois 60403
630-442-8509

James Demer
204 E. Geneva Rd.
Wheaton, Illinois 60187
630-506-5488

Kentucky

Adam Blust
1850 S Hurstbourne Pkwy
Louisville, Kentucky 40220
502-709-4202

Michigan

Jody Lesinski
15254 Canal Road
Clinton Township, Michigan 48038
586-580-3180

Montana

Kevin Woods
1911 Kings Highway West, Suite 9
Billings, Montana 59102
406-969-2931

Nebraska

Brian and Annette Seely
2449 South 132nd Street
Omaha, Nebraska 68144
402-884-6323

New Mexico

Rick Crouse
6001 San Mateo Boulevard, N.E.
Albuquerque, New Mexico 87109
505-369-1574

Oregon

Lynnette Scott
3205 SW Cedar Hills Blvd., Suite 44
Beaverton, Oregon, 97005
503-644-5701

Christina Cooper, David Thornton and Leah Brown
250 SW 1st Ave.
Canby, Oregon 97013
503-263-3337

Brian Aljian
780 Blair Boulevard
Eugene, Oregon 97402
541-225-4981

Matt and Sarah Bauman
3670 River Road N.
Keizer, Oregon 97303
503-390-1830

Spencer Crandall
3040 NE Sandy Blvd
Portland, Oregon 97232
503-908-32639

Tennessee

Bradley and Talana Patterson
4650 Merchants Park Circle
Collierville, Tennessee 38017
901-207-3007

Texas

Gary and Holly Friedman
14010 N Hwy 183, Suite 525
Austin, Texas 78717
512-520-8019

Scott and Heather Zachary
2030 Glade Road
Grapevine, Texas 76051
833-289-5346

Chris and Jamie Donnell
12415 Bandera Rd, #212

Helotes, Texas 78023
210-437-2985

Devon Shows
Broadway Street, Suite 710
Pearland, TX 77581
281-741-0279

Jason and Andrea Klima
7224 Independence Pkwy, Suite 332
Plano, Texas 75025
972-618-2343

Chris and Jamie Donnell
21850 Bulverde Rd Ste 102
San Antonio, Texas 78259
210-437-2985

Utah

Cory Anderson
1086 W South Jordan Parkway, Suite 105
South Jordan, Utah 84095
385-645-5346

Cory Anderson
755 E 3300 S
Salt Lake City, Utah 84106
385-429-0166

Washington

Steve and Sharon Jensen
14650 N Kelsey St. Suite 102
Monroe, Washington 98272
360-243-3068

Wisconsin

Dan Jacobsohn
3000 Cahill Main St., Suite 114
Fitchburg, Wisconsin 53711
608-286-1302

Newfoundland, Canada

Chad Graham
29 Stavanger Dr.
St. John's, NL A1A5E8

709-237-5700

List of Franchisees Who Had Signed Franchise Agreements but Not Yet Opened as of December 31, 2020

California

Rafael Garcia

Florida

James Olk

Outlets Owned and Operated by Corporate and/or One or More of Our Officers as of December 31, 2020

Connecticut

Traci Schneider
1173 Queen St.
Southington, Connecticut 06489
860-385-1007
(Operated by an entity owned by BAM Franchising Inc.)

Florida

Adam Vangsness
28210 Paseo Dr., Suite 150
Wesley Chapel, FL 33543
813-994-7171
(Operated by an entity owned by BAM Franchising Inc.)

Idaho

Reed Brimhall
10150 W. Fairview Ave.
Boise, Idaho 83704
208-377-4386
(Owned and operated by an entity in which our CFO is an owner)

Utah

Matthew, Karen, Ammon, and Nicole McNeff
658 S. State St.
Orem, UT 84058
801-874-2362
(During 2018, Ammon and Matthew McNeff, two of the owners of the entity that operates this outlet, became officers of BAM Franchising, Inc.)

Washington

Kevin Wanner
8700 NE Vancouver Mall Dr., Suite 236
Vancouver, Washington 98662
360-723-5032
(Operated by an entity owned by BAM Franchising Inc.)

EXHIBIT G

FRANCHISEES WHO LEFT THE SYSTEM DURING OUR LAST FISCAL YEAR AS OF DECEMBER 31, 2020

Transferred to New Owner:

None

Mutual Termination:

Jerame and Vola Moore
Vancouver, Washington
360-723-5032

Jerame and Vola Moore
Kelso, Washington
360-353-3188

Robert and Traci Schneider
Southington, Connecticut
860-385-1007

Patrick Ford and Chris Nourse
Mansfield, Massachusetts
774-719-0105

Termination:

Adam Smyk
Wesley Chapel, FL
813-994-7171

Ceased Operations – Other Reasons:

Jason and Andrea Klima
Sachse, Texas
469-969-0045

Jason and Andrea Klima
Dallas, Texas
972-618-2343

EXHIBIT H

FINANCIAL STATEMENTS
OF
BAM FRANCHISING, INC.

[SEE THE FOLLOWING PAGES.]

BAM FRANCHISING, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

BAM FRANCHISING, INC. AND SUBSIDIARIES

Table of Contents

	PAGE
Independent Auditor's Report	1-2
Consolidated Financial Statements	
Consolidated Statements of Financial Condition	3
Consolidated Statements of Operations	4
Consolidated Statements of Changes in Shareholders' Equity	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7-13

YSL & Associates LLC
Certified Public Accountants | Member of Parker Randall International

11 Broadway, Suite 700, New York, NY 10004 Tel: (212) 232-0122 Fax: (646) 218-4682

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders of
BAM Franchising, Inc.

We have audited the accompanying consolidated financial statements of BAM Franchising, Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial condition as of December 31, 2020 and 2019, and the related consolidated statements of operations, changes in shareholders' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

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

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

YSL & Associates LLC

New York, NY
April 29, 2021

BAM FRANCHISING, INC. AND SUBSIDIARIES
Consolidated Statements of Financial Condition
As of December 31, 2020 and 2019

	2020	2019
ASSETS		
Cash	$ 68,573	$ 50,086
Accounts receivable, net	51,438	104,172
Inventory	69,038	79,140
Prepaid expenses	13,419	-
Other receivable	4,100	10,659
Due from related parties	15,125	-
Investment	13,125	-
Property and equipment, net	4,191	7,402
Intangible assets, net	3,486	3,777
Total Assets	**$ 242,495**	**$ 255,236**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Accounts payable and accrued expenses	$ 35,016	$ -
Payroll tax payable	26,006	-
Income tax payable	213	18,968
Deferred revenue	25,000	-
Due to related party	-	62,497
Note payable	13,593	4,032
Total Liabilities	99,828	85,497
Shareholders' Equity		
Common stock, no par value, 1,000,000 shares authorized, 675,000 shares issued and 656,560 outstanding	-	-
Additional paid-in capital	110,000	110,000
Retained earnings	72,682	59,739
Treasury stock, at cost (18,440 shares at $2.17 each)	(40,015)	-
Total Shareholders' Equity	142,667	169,739
Total Liabilities and Shareholders' Equity	**$ 242,495**	**$ 255,236**

See accompanying notes to consolidated financial statements

BAM FRANCHISING, INC. AND SUBSIDIARIES
Consolidated Statements of Operations
For the Years Ended December 31, 2020 and 2019

	2020	2019
Revenues		
Franchise fee	$ 25,000	$ 30,000
Royalty fee	471,904	429,587
Advertising fee	20,250	21,700
Company store sales	2,600	-
Product sales	34,229	36,914
Other income	13,345	7,791
Total Revenues	567,328	525,992
Cost of product sales		
Cost of product	32,152	34,744
Inventory shrinkage	17,686	23,566
Company store cost of sales	500	-
Total Cost of product sales	50,338	58,310
Gross profits	516,990	467,682
Operating expenses		
Compensation expenses	78,540	113,844
Advertising expenses	101,726	109,780
Professional fees	133,319	62,303
Computer and software	64,686	14,311
Bad debt expenses	72,090	-
Training expenses	14,012	22,328
Occupancy expenses	8,542	45,189
Travel expenses	9,249	8,756
Supplies	5,683	1,535
Insurance	5,009	2,766
Depreciation and amortization	3,502	3,793
Meals and entertainments	933	62
Licensing fees	-	2,650
Other administrative expenses	4,787	11,642
Company store expenses	13,960	-
Total Operating expenses	516,038	398,959
Net income before income tax provision	952	68,723
Income tax provision	(11,991)	20,944
Net income	**$ 12,943**	**$ 47,779**

See accompanying notes to consolidated financial statements

BAM FRANCHISING, INC. AND SUBSIDIARIES
Consolidated Statements of Changes in Shareholders' Equity
For the Years Ended December 31, 2020 and 2019

	Common		Additional	Accumulated		
	Shares	**Amount**	**Paid-in Capital**	**Income (Deficit)**	**Treasury Stock**	**Total**
Balance at December 31, 2018	675,000	$ -	$ 110,000	$ 11,860	$ -	$ 121,860
Net income				47,779		47,779
Shareholders' contribution				100		100
Balance at December 31, 2019	675,000	-	110,000	59,739	-	169,739
Net income				12,943		12,943
Repurchase of treasury stock					(40,015)	(40,015)
Shareholders' distribution						-
Balance at December 31, 2020	675,000	$ -	$ 110,000	$ 72,682	$ (40,015)	$ 142,667

See accompanying notes to consolidated financial statements

BAM FRANCHISING, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Net income	$ 12,943	$ 47,779
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	3,502	3,793
Pass-through income	(13,125)	-
Change in operating assets and liabilities:		
Accounts receivable, net	52,734	(63,999)
Inventory	10,102	(1,064)
Prepaid expenses	(13,419)	-
Due from related party	(15,125)	-
Other assets	6,559	(8,036)
Accounts payable and accrued expenses	35,016	-
Payroll tax payable	26,006	(82)
Income tax payable	(18,755)	3,549
Deferred revenue	25,000	
Due to related party	(62,497)	41,515
Note interest payable	147	-
Net cash provided by operating activities	49,088	23,455
Cash flows from financing activities:		
Proceed from note payable	20,000	-
Repayments of note payable	(10,586)	(7,709)
Repurchase of treasury stock	(40,015)	-
Shareholders' contribution	-	100
Net cash used in financing activities	(30,601)	(7,609)
Net increase in cash	18,487	15,846
Cash and cash equivalents - beginning of the year	50,086	34,240
Cash and cash equivalents - end of the year	$ 68,573	$ 50,086
Supplementary Disclosure		
Interest paid	$ 609	$ 495
Income tax paid	$ 20,184	$ 17,395

See accompanying notes to consolidated financial statements

BAM FRANCHISING, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1. ORGANIZATION AND NATURE OF BUSINESS

The consolidated financial statement includes the accounts of BAM Franchising Inc (the "BAM"), and its wholly owned subsidiaries BAMF Southington CT LLC ("Southington") and BAMF Wesley Chapel LLC ("Wesley Chapel") (collectively, the "Company"). BAM is an Oregon Corporation formed on April 29, 2011. In 2018, the Company had an ownership change and has elected to be treated as C-corporation instead of S-corporation. Southington is a Connecticut Limited Liability Company formed on November 19, 2020. Wesley Chapel is a Florida Limited Liability Company formed on December 17, 2020.

BAM is the franchisor that franchises the right to open, operate, promote, arrange, and manage a retail store that buys and sells new and used LEGO® building bricks, minifigures and accessories to the general public under the name "Bricks and Minifigs®". Both Southington and Wesley Chapel are the outlet stores 100% owned by BAM.

The estimated initial investment to open a store ranges from $108,500 to $276,400. Actual investment costs experienced by a franchisee can vary significantly depending on a host of variables, many of which are in the franchisee's control. The estimated initial investment above includes the initial franchise fees; leasehold improvements; furniture, fixtures, and equipment; starting inventory; and signage and marketing. All approved applicants pay $25,000 initial franchise fee for a single area franchise. The initial term of the franchise is 5 years. If franchisee is in good standing, they may renew for period of 5 years under the terms of the then current franchise agreement forms. There is no initial franchise fee by purchasing the business of one of existing franchisees, but it is subject to $5,000 transfer fee to be paid by existing franchisee. The payment of the transfer fee covers the legal, accounting, credit check, and investigation expenses.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting

The accompanying consolidated financial statements have been prepared using the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America.

Basis of Consolidation

All material intercompany transactions and balance have been eliminated in consolidation.

Use of Estimates

These consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America requires management to make

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates (Continued)

estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. The Company regularly assesses these estimates and, while actual results could differ, management believes that the estimates are reasonable.

Cash and Cash Equivalents

For the purposes of the consolidated statement of cash flows, the Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Accounts Receivable

The Company records as a receivable all applicable fees, including franchise fees, monthly royalty fees, advertising fees and other related revenues. The allowance for doubtful accounts is the best estimate of the amount of probable credit losses in the Company's accounts receivable. Management determines the allowance based on historical write-off experience and reviews its allowance for doubtful accounts periodically. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. The Company has recorded an allowance for doubtful accounts of $120,500 and $37,682 as of December 31, 2020 and 2019.

Inventory

The Company values inventories at the lower of cost or net realizable value. Cost is determined under the weighted average cost method.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 5 to 39 years. Leasehold improvements are amortized over the shorter of the useful life of the related assets or the lease term. Expenditures for repairs and maintenance are charged to expense as incurred. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any related gain or loss is reflected in income for the period.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

The Company recognizes revenue in accordance with ASU No. 2014-09, Revenue from Contract with Customers (Topic 606). The Company records its revenues based on the performance obligation under the contract with its franchisees and the determination of fee collectability. Franchise fees from the sales of franchises are recorded upon opening of the store. Royalty fees, which are based on the percentage of the franchisee's monthly gross sales, are recognized as earned upon recognition of sales by franchisees. The Company also collects a fixed monthly advertising fees from franchisees, which are recognized on monthly basis. Product sales are recognized when the delivery of the products has occurred, and the benefits are transferred to the customers.

Fair Value Measurements

GAAP establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Under the standard, fair value is defined as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date.

Income Taxes

The Company accounts for income taxes under ASC 740, Income Taxes. Under the asset and liability method of ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period the enactment occurs. A valuation allowance is provided for certain deferred tax assets if it is more likely than not that the Company will not realize tax assets through future operations.

The Company is a C-corporation and files the tax returns in the U.S federal jurisdiction and registered states. The management has determined that the Company has no uncertain tax positions that would require consolidated financial statement recognition as of December 31, 2020.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising Costs

Advertising costs are expenses either as incurred or the first time the advertising takes place. For the years ended December 31, 2020 and 2019, the Company incurred advertising expenses of $101,726 and $109,780, respectively.

Trademarks

The Company has adopted FASB Accounting Standards Codification 350, Intangibles – Goodwill and Other. That statement required the Company to evaluate certain intangible assets on an annual basis for potential impairment. After estimating the value of the trademarks at December 31, 2020 and 2019, the Company recognized no loss because of trademark impairment for the year ended December 31, 2020 and 2019.

NOTE 3. INVESTMENT

The Company has 50% ownership interest in a franchise outlet named BAMF Vancouver 1 LLC in Washington state. The Company records pass-through income/loss from the investment under equity method. During the year ended December 31, 2020, the Company recorded pass-through income of $13,125, which was included in other income in the consolidated statements of operations. The Company reviewed the value of the investment and believes that there was no impairment on the investment as of December 31, 2020.

NOTE 4. FRANCHISE INFORMATION

Statistical information on franchises as of December 31, 2020, and 2019, is as follows:

Years Ended December 31	2020	2019
Open at beginning of year	39	41
Opened during the year	1	1
Closed during the year	(4)	(3)
Open at end of year	36	39
Franchised franchises	31	37
Company owned franchises	5	2

NOTE 5. RELATED PARTY TRANSACTIONS

On April 14, 2020, the Company issued a promissory note in the amount of $20,000 with a related party. The loan carries an interest rate of 6% and monthly payments, including interest, are approximately $886. As of December 31, 2020, the outstanding balance payable was $13,593. Amounts will be paid according to the following schedule:

Year ending December 31,	Principal	Interest	Total
2021	$ 10,093	$ 541	$ 10,634
2022	3,500	44	3,544
	$ 13,593	$ 585	$ 14,178

In 2018, the Company entered into an arrangement with a related party where the Company shares employees with the related party and reimburses the related party for the related payroll cost incurred by related party. The arrangement was terminated during the year ended December 31, 2020. As of December 31, 2020 and 2019, the amounts due to the related party were $0 and $62,497, respectively.

During the year ended December 31, 2020, the Company paid certain expenses on behalf of a related party and the outstanding balance as of December 31, 2020 was $15,125.

NOTE 6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following on December 31, 2020 and 2019:

December 31,	2020	2019
Machinery	$ 22,474	$ 22,474
	22,474	22,474
Less: accumulated depreciation	(18,283)	(15,072)
Property and Equipment, net	$ 4,191	$ 7,402

Depreciation expense amounted to $3,211 and $3,211 for the years ended December 31, 2020 and 2019.

NOTE 7. INTANGIBLE ASSETS

Intangible assets consisted of the following on December 31, 2020 and 2019:

December 31,	2020	2019
Trademark	$ 4,359	$ 4,359
	4,359	4,359
Less: accumulated amortization	(873)	(582)
Intangible assets, net	$ 3,486	$ 3,777

Amortization expense amounted to $291 and $582 for the years ended December 31, 2020 and 2019.

NOTE 8. OPERATING LEASE

The Company entered into a 36-month lease agreement for office space with the landlord on October 17, 2016. The lease was terminated in 2019 and there were no future obligations related to the lease. During the years ended December 31, 2020, and 2019, lease expenses were $0 and $18,789, respectively.

The Company also entered into a lease agreement for office space on June 1, 2018. The lease commenced on July 1, 2018. This lease is on month-to-month basis. During the year ended December 31, 2020, the Company experienced a rental holiday. For the years ended December 31, 2020 and 2019, the lease expenses were $0 and $26,400, respectively.

NOTE 9. SCHEDULE OF COMPANY STORE EXPENSES

The schedule below represents the expenses incurred by Southington and Wesley Chapel, which were included in the consolidated statement of operations:

	2020
Salaries and Wages	$ 8,679
Payroll Taxes	852
Office Supplies	1,494
Rent	2,130
Utilities	805
	$ 13,960

NOTE 10. COVID-19

During the 2020 calendar year, the World Health Organization has declared COVID-19 to constitute a "Public Health Emergency of International Concern". This pandemic has disrupted economic markets and the economic impact, duration and spread of the COVID-19 virus is uncertain at this time. The financial performance of the Company is subject to future developments related to the COVID-19 outbreak and possible government advisories and restrictions placed on the financial markets and business activities. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 11. SUBSEQUENT EVENTS

Management has evaluated subsequent events through auditor's report date, the date the consolidated financial statements were available to be issued and determined that no material events have occurred that require disclosure in the consolidated financial statements.

BAM FRANCHISING, INC.

FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

WITH INDEPENDENT AUDITOR'S REPORT

BAM FRANCHISING, INC.

Table of Contents

	PAGE
Independent Auditor's Report	1-2
Financial Statements	
Statements of Financial Condition	3
Statements of Operations	4
Statements of Changes in Shareholders' Equity	5
Statements of Cash Flows	6
Notes to Financial Statements	7-12

YSL & Associates LLC
Certified Public Accountants | Member of Parker Randall International

11 Broadway, Suite 700, New York, NY 10004 Tel: (212) 232-0122 Fax: (646) 218-4682

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders of
BAM Franchising, Inc.

We have audited the accompanying financial statements of BAM Franchising, Inc. (the "Company"), which comprise the statements of financial condition as of December 31, 2019 and 2018, and the related statements of operations, changes in shareholders' equity and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
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, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

YSL & Associates LLC

New York, NY
May 12, 2020

BAM FRANCHISING, INC.
Statements of Financial Condition
As of December 31, 2019 and 2018

	2019	2018
ASSETS		
Cash and cash equivalents	$ 50,086	$ 34,240
Accounts receivable, net	104,172	40,173
Inventory	79,140	78,076
Property and equipment, net	7,402	10,613
Intangible assets, net	3,777	4,359
Other assets	10,659	2,623
Total Assets	**$ 255,236**	**$ 170,084**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Payroll tax payable	$ -	$ 82
Income tax payable	18,968	15,419
Note payable	4,032	11,741
Due to related party	62,497	20,982
Total Liabilities	85,497	48,224
Shareholders' Equity		
Common stock, no par value, 1,000,000 shares authorized, 675,000 shares issued and outstanding	-	-
Additional paid-in capital	110,000	110,000
Retained earnings	59,739	11,860
Total Shareholders' equity	169,739	121,860
Total Liabilities and Shareholders' Equity	**$ 255,236**	**$ 170,084**

See accompanying notes to financial statements

BAM FRANCHISING, INC.
Statements of Operations
For the Years Ended December 31, 2019 and 2018

	2019	2018
Revenues		
Franchise fee	$ 30,000	$ 7,000
Royalty fee	429,587	406,106
Advertising fee	21,700	21,200
Product sales	36,914	62,111
Other income	7,791	2,367
Total Revenue	525,992	498,784
Cost of product sales		
Cost of product	34,744	61,944
Inventory shrinkage	23,566	-
Total cost of product sales	58,310	61,944
Gross profits	467,682	436,840
Operating expenses		
Shared employee cost	113,844	51,380
Officers' compensation	-	124,900
Advertising expenses	109,780	64,345
Professional fees	62,303	48,945
Occupancy expenses	45,189	44,903
Training expenses	22,328	1,576
Computer and software	14,311	4,643
Travel expenses	8,756	11,844
Depreciation and amortization	3,793	7,491
Insurance	2,766	1,561
Licensing fees	2,650	1,094
Supplies	1,535	4,558
Meals and entertainments	62	739
Other administrative expenses	11,642	12,994
Total Operating expenses	398,959	380,973
Net income before income taxes	68,723	55,867
Income tax expenses	20,944	15,419
Net income	**$ 47,779**	**$ 40,448**

See accompanying notes to financial statements

BAM FRANCHISING, INC.
Statements of Changes in Shareholders' Equity
For the Years Ended December 31, 2019 and 2018

	Common Shares	Common Amount	Additional Paid-in Capital	Accumulated Income (Deficit)	Total
Balance at December 31, 2017	675,000	$ -	$ 110,000	$ 46,412	$ 156,412
Net income				40,448	40,448
Shareholders' distribution				(75,000)	(75,000)
Balance at December 31, 2018	675,000	-	110,000	11,860	121,860
Net income				47,779	47,779
Shareholders' contribution				100	100
Balance at December 31, 2019	675,000	$ -	$ 110,000	$ 59,739	$ 169,739

See accompanying notes to financial statements

BAM FRANCHISING, INC.
Statements of Cash Flows
For the Years Ended December 31, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Net income/(loss)	$ 47,779	$ 40,448
Adjustments to reconcile net income /(loss) to net cash provided/(used) by operating activities:		
Depreciation and amortization	3,793	7,491
Change in operating assets and liabilities:		
Accounts receivable, net	(63,999)	27,664
Inventory	(1,064)	(16,788)
Other assets	(8,036)	-
Accounts payable	-	(5,060)
Payroll tax payable	(82)	(15,939)
Income tax payable	3,549	15,419
Due to related party	41,515	20,982
Net cash provided /(used) by operating activities	23,455	74,217
Cash flows from financing activities:		
Note payable	(7,709)	(7,262)
Shareholder's contribution (distribution)	100	(75,000)
Net cash provided /(used) by financing activities	(7,609)	(82,262)
Net increase/(decrease) in cash	15,846	(8,045)
Cash and cash equivalents - beginning of the year	34,240	42,285
Cash and cash equivalents - end of the year	$ 50,086	$ 34,240
Supplementary Disclosure		
Interest paid	$ 495	$ 943
Income tax paid	$ 17,395	$ -

See accompanying notes to financial statements

BAM FRANCHISING, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 1. NATURE OF OPERATIONS

BAM Franchising, Inc. (Company), an Oregon Corporation, was formed on April 29, 2011. The Company franchises the right to open, operate, promote, arrange, and manage a retail Bricks, Minifigs® store specializing in the resale of LEGO© brand products in an exclusive territory. In 2018, the Company had an ownership change and has elected to be treated as C-corporation instead of S-corporation.

The estimated initial investment to open a store ranges from $108,500 to $276,400. Actual investment costs experienced by a franchisee can vary significantly depending on a host of variables, many of which are in the franchisee's control. The estimated initial investment above includes the initial franchise fees; leasehold improvements; furniture, fixtures, and equipment; starting inventory; and signage and marketing. All approved applicants pay $25,000 initial franchise fee. The initial term of the franchise in 5 years. If franchisee is in good standing, they may renew for period of 5 years under the terms of the then current franchise agreement forms.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. The Company regularly assesses these estimates and, while actual results could differ, management believes that the estimates are reasonable.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

The Company records as a receivable all applicable fees, including franchise fees, monthly royalty fees, advertising fees and other related revenues. The allowance for doubtful accounts is the best estimate of the amount of probable credit losses in the Company's accounts receivable. Management determines the allowance based on historical write-off experience and reviews its allowance for doubtful accounts periodically. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. The Company has recorded an allowance for doubtful accounts of $37,682 and $5,479 as of December 31, 2019 and 2018.

Inventory

The Company values inventories at the lower of cost or net realizable value. Cost is determined under the weighted average cost method.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 5 to 39 years. Leasehold improvements are amortized over the shorter of the useful life of the related assets or the lease term. Expenditures for repairs and maintenance are charged to expense as incurred. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any related gain or loss is reflected in income for the period.

Revenue Recognition

The Company records its revenues based on the performance obligation under the contract with its franchisees and the determination of fee collectability. Franchise fees from the sales of franchises are recorded upon finalization of franchise agreement and completion of services under the contract related to opening of the store. Royalty fees, which are based on the percentage of the franchisee's monthly gross sales, are recognized as earned upon recognition of sales by franchisees. The company also collects a fixed monthly advertising fees from franchisees, which are recognized on monthly basis. Product sales are recognized when the delivery of the products has occurred and the risk of loss is transferred to the franchisee.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Company accounts for income taxes under ASC 740, Income Taxes. Under the asset and liability method of ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period the enactment occurs. A valuation allowance is provided for certain deferred tax assets if it is more likely than not that the Company will not realize tax assets through future operations.

The Company is a C-corporation and files the tax returns in the U.S federal jurisdiction and State of Oregon. The management has determined that the Company has no uncertain tax positions that would require financial statement recognition as of December 31, 2019.

Advertising Costs

The advertisement costs are expenses either as incurred or the first time the advertising takes place. For the years ended December 31, 2019 and 2018, the Company had incurred advertising expenses of $109,780 and $64,345, respectively.

Trademarks

The Company has adopted FASB Accounting Standards Codification 350, Intangibles – Goodwill and Other. That statement required the Company to evaluate certain intangible assets on an annual basis for potential impairment. After estimating the value of the trademarks at December 31, 2019 and 2018, the Company recognized no loss on trademarks impairment for the year ended December 31, 2019 and 2018.

NOTE 3. FRANCHISE INFORMATION

Statistical information on franchises as of December 31, 2019, and 2018, is as follows:

Years Ended December 31	2019	2018
Open at beginning of year	41	35
Opened during the year	1	6
Closed during the year	(3)	0
Open at end of year	39	41
Franchised franchises	37	39
Company owned franchises	2	2

NOTE 4. RELATED PARTY TRANSACTIONS

Note Payable represents a loan due to related party totaling $4,032 and $11,741 as of December 31, 2019 and 2018. The loan carries an interest rate of 6% and monthly payments, including interest, are approximately $684. Amounts will be paid according to the following schedule:

Year ending December 31,	Principal	Interest	Total
2020	$ 4,031	$ 71	$ 4,102
	$ 4,031	$ 71	$ 4,102

In 2018, the Company entered into an arrangement with a related party where the Company shares employees with the related party and reimburses the related party for the related payroll cost incurred by related party. As of December 31, 2019 and 2018, the amounts due to the related party under such arrangement were $62,497 and $20,982, respectively.

NOTE 5. OPERATING LEASE

The Company entered into a 36-month lease agreement for office space with the landlord on October 17, 2016. The lease was terminated in 2019 and there were no future obligations related to the lease. During the years ended December 31, 2019, and 2018, lease expenses were $18,789 and $31,064, respectively.

The Company also entered into a lease agreement for office space on June 1, 2018. The lease commenced on July 1, 2018. This lease is on month to month renewal term. For the years ended December 31, 2019 and 2018, the lease expenses were $26,400 and 13,200, respectively.

NOTE 6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2019 and 2018:

December 31,	2019	2018
Machinery	$ 22,474	$ 22,474
	22,474	22,474
Less: accumulated depreciation	(15,072)	(11,861)
Property and equipment, net	$ 7,402	$ 10,613

Depreciation expense amounted to $3,211 and $7,491 for the years ended December 31, 2019 and 2018.

NOTE 7. INTANGIBLE ASSETS

Intangible assets consisted of the following at December 31, 2019 and 2018:

December 31,	2019	2018
Trademark	$ 4,359	$ 4,359
	4,359	4.359
Less: accumulated amortization	(582)	-
Intangible assets, net	$ 3,777	$ 4,359

Amortization expense amounted to $582 and $0 for the years ended December 31, 2019 and 2018.

NOTE 8. NEW ACCOUNTING GUIDANCE IMPLEMENTATION

Effective January 1, 2019, the Company retroactively changed its accounting methods for revenue recognition as a result of implementing the requirements in the Financial Accounting Standard Board's ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606). The new revenue recognition guidance requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. This determination follows a five-step model to (a) identify the contract(s) with customers, (b) identify the performance obligations in the contract(s), (c) determine the transaction price, (d) allocate the transaction price to the performance obligations in the contract, and (e) recognize revenue when (or as) the entity satisfies a performance obligation. In determining the transaction price, an entity may include variable consideration only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized would not occur when the uncertainty associated with the variable consideration is resolved. The Company adopted the requirements of the new revenue recognition guidance as of January 1, 2019, utilizing the modified retrospective transition method which resulted in no material adjustment to retained earnings.

NOTE 9. COVID-19

During the 2020 calendar year, the World Health Organization has declared COVID-19 to constitute a "Public Health Emergency of International Concern". This pandemic has disrupted economic markets and the economic impact, duration and spread of the COVID-19 virus is uncertain at this time. The financial performance of the Company is subject to future developments related to the COVID-19 outbreak and possible government advisories and restrictions placed on the financial markets and business activities. The impact on financial markets and the overall economy, all of which are highly uncertain, cannot be predicted. If the financial markets and/or the overall economy are impacted for an extended period, the Company's results may be materially affected. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 10. SUBSEQUENT EVENTS

Management has evaluated subsequent events through auditor's report date, the date the financial statements were available to be issued and determined that no material events have occurred that require disclosure in the financial statements.

Management Report

BAM Franchising Inc
For the period ended April 30, 2021

Prepared by
The Accounting Guys, LLC

Prepared on
May 10, 2021

Table of Contents

Balance Sheet.....3

Profit and Loss by Month.....5

Statement of Cash Flows.....8

Balance Sheet

As of April 30, 2021

	Apr 2021
ASSETS	
Current Assets	
Bank Accounts	
1000 CHECKING ACCOUNTS	
1010 Chase xxx7173	22,555.55
1020 Chase xxx9006	184.28
1030 Paypal	4,769.51
1040 US Bank Checking xxx8799	19,264.57
Total 1000 CHECKING ACCOUNTS	**46,773.91**
Total Bank Accounts	**46,773.91**
Accounts Receivable	
1201 ACCOUNTS RECEIVABLES	
1216 Royalty Receivable	992,374.33
1220 Allowance for Doubtfull Account	-75,946.05
Total 1201 ACCOUNTS RECEIVABLES	**916,428.28**
Total Accounts Receivable	**916,428.28**
Other Current Assets	
1300 ST LOAN REC. & INVESTMENTS	
1352 BAM Louisville - Blust Note	1,200.00
1353 BAM WA Vancouver - Loan	676.89
1354 BAM TX - G Friedman Loan	2,900.00
1356 BAM of Orem - Inv Loan	6,058.69
1357 BAMF Southington Investment	35,397.60
1358 BAMF Vancouver Investment	13,125.00
1359 BAM Wesley Chapel Investment	30,171.16
Total 1300 ST LOAN REC. & INVESTMENTS	**89,529.34**
1400 INVENTORY	49,356.10
Total Other Current Assets	**138,885.44**
Total Current Assets	**1,102,087.63**
Fixed Assets	
1600 FURNITURE & EQUIPMENT ($>500)	
1610 Furniture & Equipment	22,473.70
1690 ACC. DEPRECIATION	-18,282.18
Total 1600 FURNITURE & EQUIPMENT ($>500)	**4,191.52**
Total Fixed Assets	**4,191.52**
Other Assets	
1900 LT LOAN REC.& INVESTMENTS	
1910 Trademark	4,358.50
1912 Acc Depreciation on Trademark	-872.57
Total 1900 LT LOAN REC.& INVESTMENTS	**3,485.93**
Total Other Assets	**3,485.93**

	Apr 2021
TOTAL ASSETS	**$1,109,765.08**
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2222 ACCRUED LEGAL FEES	30,440.74
2225 Giftcard Account Liability	16,134.78
2300 PAYROLL LIABILITIES	27,986.03
2305 UNEARRNED REVENUE	50,000.00
Total Other Current Liabilities	**124,561.55**
Total Current Liabilities	**124,561.55**
Long-Term Liabilities	
2400 LONG TERM LOANS	
2420 Reed Brimhall April 2020 Loan	10,243.52
Total 2400 LONG TERM LOANS	**10,243.52**
Total Long-Term Liabilities	**10,243.52**
Total Liabilities	**134,805.07**
Equity	
3300 Dividends Paid	
3310 LM - Dividends	-50,000.00
3320 RB - Dividends	-25,000.00
Total 3300 Dividends Paid	**-75,000.00**
3600 Common Stock	39,974.10
3800 Retained Earnings - Reed Brimhall	34,003.09
3810 Retained Earnings - Legally Mine (Dan)	26,838.17
3820 Retained Earnings - Legally Mine (Evelyn)	26,838.17
3830 Retained Earnings - Legally Mine (Ammon)	7,260.66
3840 Retained Earnings - Legally Mine (Matt)	5,069.01
3999 RETAINED EARNINGS	727,332.67
Net Income	182,644.14
Total Equity	**974,960.01**
TOTAL LIABILITIES AND EQUITY	**$1,109,765.08**

NOTE

For management use only

Profit and Loss by Month

January - April, 2021

	Jan 2021	Feb 2021	Mar 2021	Apr 2021	Total
INCOME					
4000 SOURCES OF INCOME					0.00
4120 Royalty	49,358.65	37,750.43	48,086.14	78,176.71	213,371.93
4200 Advertising Reimbursement	3,250.00	1,550.00	1,550.00	1,650.00	8,000.00
4250 Tech Fee Income	5.00	5.00	20.00	20.00	50.00
4300 Merchandise Sales	20,814.02	564.77	2,467.08	732.78	24,578.65
4500 Franchise Sale				-25,000.00	-25,000.00
Total 4000 SOURCES OF INCOME	**73,427.67**	**39,870.20**	**52,123.22**	**55,579.49**	**221,000.58**
4800 Sales Refund	-5.00	-175.15	-127.72	-244.04	-551.91
Unapplied Cash Payment Income	69,914.71	58,590.48	46,570.05	85,750.68	260,825.92
Total Income	**143,337.38**	**98,285.53**	**98,565.55**	**141,086.13**	**481,274.59**
COST OF GOODS SOLD					
5000 COST OF GOODS SOLD /OR SERVICES	18,967.50	668.16	2,220.37	659.50	22,515.53
5700 SHIPPING & FREIGHT COSTS	409.03	829.75		431.25	1,670.03
5800 MERCHANT FEES	2,565.33	401.78	668.42	388.96	4,024.49
5900 BAD DEBT EXPENSE	-6,058.69			36,436.11	30,377.42
Total Cost of Goods Sold	**15,883.17**	**1,899.69**	**2,888.79**	**37,915.82**	**58,587.47**
GROSS PROFIT	**127,454.21**	**96,385.84**	**95,676.76**	**103,170.31**	**422,687.12**
EXPENSES					
6000 GENERAL BUSINESS EXPENSES					0.00
6020 CONTINUING ED & TRAINING	876.00	876.00	876.00	876.00	3,504.00
6060 INSURANCE	53.92	53.92	53.92	53.92	215.68
6070 MEALS					0.00
6072 ONSITE & TEAM MEETINGS (50%)	95.75	33.74			129.49
Total 6070 MEALS	**95.75**	**33.74**			**129.49**
6080 POSTAGE AND DELIVERY	45.17	60.46	42.83	37.29	185.75
6100 PROFESSIONAL SERVICES					0.00
6102 ACCOUNTING	5,333.86	320.06	2,329.81	15,530.29	23,514.02
6106 LEGAL FEES	9,000.00	9,000.00	9,467.46	4,500.00	31,967.46
Total 6100 PROFESSIONAL SERVICES	**14,333.86**	**9,320.06**	**11,797.27**	**20,030.29**	**55,481.48**

	Jan 2021	Feb 2021	Mar 2021	Apr 2021	Total
6120 OFFICE SUPPLIES	329.27	857.99	2,858.27	110.43	4,155.96
6150 Online Business Programs & Tools	1,044.09	1,032.24	944.90	993.17	4,014.40
6180 TELEPHONE EXPENSES	15.87	16.06	15.89	14.98	62.80
Total 6000 GENERAL BUSINESS EXPENSES	**16,793.93**	**12,250.47**	**16,589.08**	**22,116.08**	**67,749.56**
6200 TECHNOLOGY, MACHINERY & EQUIP.					0.00
6210 COMPUTER & SOFTWARE EXPENSES	-826.72	7,243.35	16,314.82	-3,643.61	19,087.84
6270 REPAIRS & MAINTENANCE		1,073.09			1,073.09
Total 6200 TECHNOLOGY, MACHINERY & EQUIP.	**-826.72**	**8,316.44**	**16,314.82**	**-3,643.61**	**20,160.93**
6300 STAFF COMPENSATION & BENEFITS					0.00
6380 PAYROLL TAXES	1,152.87	1,327.13	1,391.44	1,798.04	5,669.48
6390 WAGES & SALARIES	13,988.27	13,546.60	15,340.98	21,150.54	64,026.39
Total 6300 STAFF COMPENSATION & BENEFITS	**15,141.14**	**14,873.73**	**16,732.42**	**22,948.58**	**69,695.87**
6400 OCCUPANCY EXPENSES					0.00
6460 MAINTENANCE AND REPAIRS			158.43		158.43
6480 RENT	2,500.00	2,500.00	2,500.00	2,500.00	10,000.00
Total 6400 OCCUPANCY EXPENSES	**2,500.00**	**2,500.00**	**2,658.43**	**2,500.00**	**10,158.43**
6520 CONTRACT LABOR	6,675.25	2,454.00	1,698.00	4,514.25	15,341.50
6600 MARKETING EXPENSES					0.00
6610 MISC MARKETING EXPENSES		668.75	2,175.68	-742.60	2,101.83
6680 PROMOTIONAL ADVERTISING	3,040.00	4,540.00	3,040.00		10,620.00
6690 WEBSITE EXPENSE	5,279.70	5,262.79	6,762.79	6,782.76	24,088.04
Total 6600 MARKETING EXPENSES	**8,319.70**	**10,471.54**	**11,978.47**	**6,040.16**	**36,809.87**
Total Expenses	**48,603.30**	**50,866.18**	**65,971.22**	**54,475.46**	**219,916.16**
NET OPERATING INCOME	**78,850.91**	**45,519.66**	**29,705.54**	**48,694.85**	**202,770.96**
OTHER EXPENSES					
8300 FINANCE COSTS					0.00
8310 BANK SERVICE CHARGES	30.00	54.00	42.00	67.50	193.50
8330 LOAN INTEREST & FEES	67.99	63.90	63.80		195.69
Total 8300 FINANCE COSTS	**97.99**	**117.90**	**105.80**	**67.50**	**389.19**
Currency Conversion - PayPal				19,737.63	19,737.63
Total Other Expenses	**97.99**	**117.90**	**105.80**	**19,805.13**	**20,126.82**
NET OTHER INCOME	**-97.99**	**-117.90**	**-105.80**	**-19,805.13**	**-20,126.82**

	Jan 2021	Feb 2021	Mar 2021	Apr 2021	Total
NET INCOME	$78,752.92	$45,401.76	$29,599.74	$28,889.72	$182,644.14

NOTE

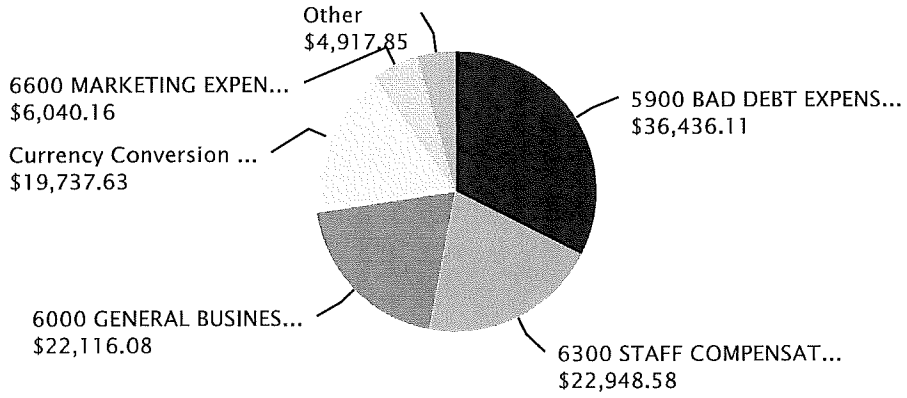
For management use only

Statement of Cash Flows

April 2021

	Total
OPERATING ACTIVITIES	
Net Income	-56,860.96
Adjustments to reconcile Net Income to Net Cash provided by operations:	
1216 ACCOUNTS RECEIVABLES:Royalty Receivable	43,329.67
1353 ST LOAN REC. & INVESTMENTS:BAM WA Vancouver - Loan	15,125.18
1357 ST LOAN REC. & INVESTMENTS:BAMF Southington Investment	-6,167.08
1359 ST LOAN REC. & INVESTMENTS:BAM Wesley Chapel Investment	-4,264.41
1400 INVENTORY	474.16
2225 Giftcard Account Liability	520.67
2300 PAYROLL LIABILITIES	-5,429.89
2305 UNEARRNED REVENUE	25,000.00
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	**68,588.30**
Net cash provided by operating activities	**11,727.34**
FINANCING ACTIVITIES	
2420 LONG TERM LOANS:Reed Brimhall April 2020 Loan	-886.41
Net cash provided by financing activities	**-886.41**
NET CASH INCREASE FOR PERIOD	**10,840.93**
Cash at beginning of period	35,932.98
CASH AT END OF PERIOD	**$46,773.91**

BAM Franchising Inc
Expense By Category



%	Category	($)Amount
32.48%	5900 BAD DEBT EXPENSE	36,436.11
20.45%	6300 STAFF COMPENSATION & BENEFITS	22,948.58
19.71%	6000 GENERAL BUSINESS EXPENSES	22,116.08
17.59%	Currency Conversion - PayPal	19,737.63
5.38%	6600 MARKETING EXPENSES	6,040.16
4.38%	Other	4,917.85

Monday, May 10, 2021 11:09:52 AM GMT-06:00 - Accrual Basis

EXHIBIT I

FORM OF GENERAL RELEASE

The Franchise Agreement provides that the Franchisee must sign a General Release in a form satisfactory to the Franchisor in certain circumstances, such as upon transfer, renewal, or relocation of the Franchise, or upon adding a new business entity to the Franchise Agreement. Following is a form of General Release that is subject to change.

EXHIBIT I

FORM OF GENERAL RELEASE

This General Release Agreement ("Agreement") is made this ___ day of _____, 20___. It is among BAM Franchising, Inc. ("Franchisor"), _____ and _____ (jointly and severally "Franchisee") [and _____ and _____ (jointly and severally "Transferee").] [jointly and severally "New Entity").]

RECITALS

On or about the ___ day of _____, 20___, Franchisor and Franchisee entered into a Bricks and Minifigs Franchise Agreement and related attachments and exhibits (collectively the "Franchise Agreement[s]") for the operation of a Bricks and Minifigs franchise at the following location: _____.

[NOTE: Describe the circumstances relating to the release, such as circumstances related to transfer, renewal, or relocation of the franchise, or adding a new entity, and relevant agreement dates.]

Now, therefore, in consideration of the mutual covenants set forth below, the parties agree as follows:

[1. **Renewal of Franchise Agreement**. The parties covenant and agree:

A. The Franchise Agreement, including all appurtenant addenda, certificates, exhibits, options, and obligations of the parties is terminated. The provisions of the Franchise Agreement concerning your obligations upon termination and renewal will continue in full force and effect. The parties agree that this Agreement fully and completely expresses the present understanding between the parties.

B. Contemporaneously with execution of this Agreement, you agree to execute our current franchise agreement forms. These forms may vary materially from the Franchise Agreement. Fees will be set at the currently prevailing rates and terms. The Accepted Location must remain at the location designated in the Franchise Agreement unless we otherwise approve in writing.

C. You will reimburse us for the following reasonable out-of-pocket costs we incur concerning the renewal: _____.

D. You will refurbish, remodel, and replace the Accepted Location, fixtures, and equipment to conform to the current Operations Manual and Method of Operation. This includes: _____.

E. You will attend and successfully complete the following retraining programs at your expense, including travel, meals, lodging, and our current training fee of $_____:_____.]

[1. **Franchise Transfer**. The Parties covenant and agree:

A. The Franchise Agreement between Franchisor and Franchisee, including all appurtenant addenda, certificates, exhibits, options, and obligations of the parties are terminated, as between them. The provisions of the Franchise Agreement concerning the obligations of Franchisee upon termination and transfer will continue in full force and effect. The parties agree that this Agreement fully and completely expresses the present understanding between the parties.

B. Transferee agrees to fully assume and to be bound by the terms, covenants and conditions of the Franchise Agreements as if Transferee had been named as the original franchisee in the Franchise Agreement.

Transferee will execute all documents Franchisor or Franchisee may reasonably require to complete the transfer and assumption of the Franchise Agreements, including but not limited to execution of a new franchise agreement and exhibits in the forms currently being used by Franchisor. While the Transferee will pay the Royalty Fee provided in the Franchisee's Franchise Agreement, the Transferee acknowledges that the new franchise agreement and exhibits may contain other economic and general terms which are materially different from those contained in the Franchise Agreement.

C. Franchisor enters into this Agreement, in part, in reliance upon the individual or collective character, skill, attitude, business ability and financial capacity of Transferee.

D. All obligations of Franchisee in connection with the Franchise Agreement and the franchise are assumed by the Transferee. Franchisee will remain bound by its covenants in the Franchise Agreements that neither it nor its owners, officers, partners, or other persons enumerated in the Franchise Agreement will disclose confidential information nor compete with Franchisor or Franchisor's franchisees.

E. [All now ascertained or liquidated debts in connection with the franchise have been paid by Franchisee.] [Franchisee owes $--- in current obligations and will owe additional funds for franchise fees, advertising fees, and product purchases through the closing of this transfer transaction. Franchisee will pay all sums due to Franchisor and to product suppliers within 10 days of the relevant invoice or due date. All other now ascertained or liquidated debts in connection with the franchises have been paid by Franchisee.]

F. Franchisee is not in default in any way under the Franchise Agreement or any other agreement between it and Franchisor.

G. Transferee will pay for and complete to Franchisor's exclusive satisfaction the training programs now required of new franchisees. [Transferee has completed to Franchisor's satisfaction the training programs now required of new franchisees.] [Transferee has demonstrated to Franchisor's satisfaction sufficient ability to successfully operate the franchise]. Franchisee or Transferee have submitted to Franchisor, upon execution of this Agreement, a Transfer Fee in the amount of $---. Franchisor acknowledges receipt of this Fee in consideration for Franchisor's legal, accounting, credit check, training and investigation expenses incurred as a result of this transfer. [In addition, Franchisee has paid to Franchisor, contemporaneous with execution of this Agreement, a __ percent commission on the gross transfer price (excluding the price of real property), in the amount of $___. Franchisor acknowledges receipt of this amount in consideration for having obtained Transferee for Franchisee.]

H. Transferee has met the standards established by Franchisor for quality of character, financial capacity and experience required of a new or renewing Bricks and Minifigs franchisee. Franchisee and Transferee have provided to Franchisor such information as Franchisor reasonably requested to evidence that Transferee meets these standards.

I. The lessor or sublessor of the Accepted Location has consented to the assignment or sublease of the Accepted Location to Transferee.

J. Franchisee and Transferee agree to subordinate to Transferee's obligations to Franchisor (including, without limitation, the payment of all franchise fees) any obligations of Transferee to Franchisee.

K. Transferee will assume possession and control of the equipment, furnishings, signs, supplies, inventory, advance paid deposits and other personal property and fixtures located on the Accepted Location, except as follows:

_____

L. Franchisee will properly operate the franchises and maintain the Accepted Location in clean and proper working order and will continue the employment of all current employees until Transferee assumes control of the businesses and [relocates] the Accepted Location.

M. Franchisee will maintain a sufficient inventory and sufficient supplies on hand to provide for normal business operations through the second day after Transferee assumes control of the businesses and the Accepted Location, except as follows:

_____.

N. Transferee agrees to place orders with product suppliers to maintain the inventory and supply levels following the closing of this transaction.

O. Franchisee and Transferee have entered into this Agreement for the transfer of Franchisee's rights under the Franchise Agreements after their own independent investigation. The transfer of the franchise rights and the amount of consideration for them have been determined by them independently. Franchisee and Transferee acknowledge that they have not relied upon any representation, warranty, promise or other consideration from or by Franchisor in entering into this Agreement or in evaluating the advisability of the transfer or the value of the franchises, any of the franchise rights or the franchise locations.

P. Transferee will refurbish and remodel the Accepted Location, and will refurbish, remodel and/or replace the fixtures, equipment and signage to conform to the current Operations Manual and Method of Operation within 90 days of transfer. This includes: _____.]

[1. **Continuation of Franchise Agreement**. The Franchise Agreement and all other or prior agreements between Franchisor and Franchisee, including all appurtenant addenda, certificates, exhibits, options, and obligations of the parties will continue in full force and effect and completely express the present understanding between the parties. New Entity will be a party to the Franchise Agreement as though New Entity had executed the Franchise Agreement along with Franchisee on the date it was created.]

[NOTE: The following Section 2 is for franchise transfers but not for franchise renewals:]

[2. **Franchisee to Cease Using Trade Names, Service Marks, and Logos**. Upon completion of the transfer, Franchisee will immediately cease using Franchisor's trade names, service marks, logos, and other marks, symbols or materials indicating that Franchisee is or was related to Franchisor in any way, except as otherwise provided in writing. Franchisee acknowledges that all such names, service marks, logos, and symbols are the exclusive property of Franchisor and that Franchisee has been allowed to use them, only in conjunction with the franchise relationship as outlined in this Agreement. Franchisee will remain jointly and severally bound to comply with the covenants in the Franchise Agreement which expressly or by reasonable implication are intended to apply to Franchisee after termination of the Franchise Agreement, including any applicable non-disclosure requirements. Franchisee will:

A. deliver to Transferee or Franchisor all copies of the Operations Manuals, training materials, and any other franchise-related materials in Franchisee's custody, control or possession (or destroy such materials if requested by Franchisor);
B. take action as required to transfer to Transferee all registrations relating to the use of all assumed names;
C. notify the telephone company and all listing agencies of the transfer of Franchisee's rights to use the franchise names and logos and classified and directory listings of the franchise;
D. cease use of franchise-related websites, social media accounts, and email addresses;
E. cease use of the franchise trademarks, service marks, trade names, copyrights, and other intellectual or intangible property; and
F. refrain from doing business in any way that might tend to give the public the impression that Franchisee still is or was a franchisee in the franchise system;]

[NOTE: The following Section 2 is for relocations or adding new entities:]

[2. **Commitments and Obligations of Franchisee [and New Entity]**. Franchisee [and New Entity] covenant and agree:

a. Franchisee will remain fully bound by its covenants in the Franchise Agreement.
b. Franchisor is not in default in any way under the Franchise Agreement or any other agreement between Franchisee and Franchisor.
c. [New Entity agrees to fully assume and to be bound by the terms, covenants and conditions of the Franchise Agreement as if New Entity had been named an original franchisee party in the Franchise Agreement. New Entity will execute all documents Franchisor or Franchisee may reasonably require to complete the assumption of the Franchise Agreement.]
d. [Franchisee and New Entity will provide to Franchisor, upon demand, a current list of all owners, shareholders, directors, officers, partners, and employees of New Entity, together with a summary of their respective interests in New Entity.]
e. [Neither Franchisee nor New Entity will make any public or private offering of any securities without first receiving the written consent of Franchisor. Consent may not be unreasonably withheld.]

3. **Communication of Confidential Information**. Neither Franchisee nor its owners, officers, directors, or other persons enumerated in the Franchise Agreements will communicate or divulge to any person or entity the contents of this Agreement, the contents of the Franchise Agreement, the substance of the Bricks and Minifigs franchise Operations Manual, or any other nonpublic information related to the operation of the Bricks and Minifigs franchise system. Franchisee represents and warrants that neither it nor any listed individual has communicated or divulged any such information to anyone prior to the date of this Agreement. Franchisee will continue to comply with all the confidentiality requirements of the Franchise Agreements.

[Nothing contained in this Agreement will preclude Franchisor or Franchisee from disclosing the fact of this Agreement or the amount paid by Transferee to Franchisor or to Franchisee.]

4. **Release**.

A. General. In consideration of the covenants and understandings set forth in this Agreement, Franchisee does release and discharge Franchisor and its current and former owners, partners, directors, officers, members, employees and agents ("Released Parties") from any and all claims, demands, actions or causes of action of every name, nature, kind and description whatsoever, whether in tort, in contract or under statute, arising directly or indirectly out of the offer of, negotiation of, execution of, performance of, nonperformance, or breach of the Franchise Agreement and any related agreements between the parties and out of any other action or relationship between the parties, or any of the Released Parties, arising prior to the date of this Agreement (except provisions in the Franchise Agreement concerning Franchisee's obligations upon termination).

It is expressly understood and agreed that this release is intended to cover and does cover not only all known losses and damages but any further losses and damages not now known or anticipated but which may later develop or be discovered, including all the effects and consequences thereof.

Franchisee represents that this release has been read and that it is fully understood and voluntarily accepted. The purpose of this release is to make a full, final and complete settlement of all claims against Franchisor, known or unknown, arising directly or indirectly out of the Franchise Agreement and the relationship between the parties through the date of this Agreement, including, but not limited to, economic loss.

[In consideration of the covenants and understandings set forth in this Agreement, Transferee does release and discharge Franchisor and its current and former owners, partners, directors, officers, members, employees and agents from any and all claims, demands, actions or causes of action of every name, nature, kind and description whatsoever, whether in tort, in contract or under statute, arising directly or indirectly out of the offer of, negotiation of, execution of, performance of, nonperformance, or breach of Transferee's existing franchise or license

agreement(s) with us and any related agreements between the parties and out of any other action or relationship between the parties arising prior to the date of this Agreement.

Transferee represents that this release has been read and that it is fully understood and voluntarily accepted. The purpose of this release is to make a full, final and complete settlement of all claims against Franchisor, known or unknown, arising directly or indirectly out of Transferee's existing franchise or license agreement(s) with us and the relationship between the parties through the date of this Agreement, including, but not limited to, economic loss.]

B. Waiver of Statute. With the advice of legal counsel, THE PARTIES expressly waive any statute, legal doctrine or other similar limitation upon the effect of general releases. The parties waive the benefit of any applicable statutory provision such as by illustration, California Civil Code Section 1542, which states: A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

C. Certain Obligations Not Released. Notwithstanding any contrary provision in this Agreement, the provisions of the Franchise Agreement concerning Franchisee's obligations upon termination will continue in full force and effect.

D. Acknowledgments. EACH PARTY HEREBY ACKNOWLEDGES THAT IT: (1) HAS READ THIS RELEASE THOROUGHLY AND FULLY UNDERSTANDS IT; (2) IS VOLUNTARILY EXECUTING THIS RELEASE; (3) HAS BEEN GRANTED THE OPPORTUNITY TO SEEK INDEPENDENT LEGAL ADVICE BEFORE EXECUTING THIS RELEASE; AND (4) IS AWARE THAT BY SIGNING THIS RELEASE SUCH PARTY IS WAIVING CERTAIN LEGAL RIGHTS THAT IT MAY HAVE AGAINST THE RELEASED PARTIES.

E. Covenant Not to Sue. The parties covenant not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any of the Released Parties with respect to any Claim.

5. **Indemnification**. Franchisee, for themselves and their heirs, successors, representatives, assigns, subsidiaries, divisions, and agents and each of them, agree to indemnify and hold harmless Franchisor and its affiliates, subsidiaries, divisions, successors, assigns, officers, directors, employees and agents and each of them against any liabilities, losses, damages, deficiencies, claims, costs, expenses, actions, suits, proceedings, investigations, demands, assessments, judgments, and costs of any nature resulting, directly or indirectly, from the operation of the franchise by Franchisee or Franchisee's agents or employees.

6. **Miscellaneous Provisions**.

A. Entire Agreement. This writing is the entire agreement between the parties and may not be modified or amended except by written agreement signed by the parties.

B. Joint and Several Liability. If Franchisee consists of more than one individual or entity, then their liability under this Agreement will be joint and several.

C. Waiver. No waiver of any covenant or breach of this Agreement will be a waiver of any subsequent breach of the same or any other covenant or authorize the subsequent breach of any covenant or condition.

D. Time of Essence. Time is of the essence of this Agreement.

E. Injunctive Relief. In addition to other remedies available at law or in equity, any party may seek and obtain in any court of competent jurisdiction specific performance and injunctive relief to restrain a violation by the other party of any covenant contained in this Agreement.

F. Dispute Resolution. If a dispute arises, before taking any other legal action, the parties agree to participate in at least four hours of mediation in Utah County, Utah in accordance with the mediation procedures of

the American Arbitration Association or of any similar organization that specializes in the mediation of commercial business disputes. The party demanding mediation must provide written notice to the other party of the demand for mediation. If the other party does not respond to the mediation demand within 30 days of written notice, or indicates a refusal to participate in mediation, then the party providing notice may proceed with other forms of dispute resolution. The parties agree to equally share the costs of mediation. Injunctive relief and or claims of specific performance sought pursuant to or authorized by this Agreement, are not subject to, nor can be avoided by, the mediation terms of this Agreement, and may be brought in any court of competent jurisdiction.

G. Costs and Attorneys' Fees. The prevailing party in any suit or action to enforce this Agreement will be entitled to recover its arbitration and court costs and reasonable legal fees to be set by the court, including costs and legal fees on appeal.

H. Governing Law. This Agreement is accepted in the State of Utah and will be governed by the laws of Utah, which laws will prevail, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051, et seq.) and except in those states whose franchise laws require exclusive application of those laws. This choice of laws will not include and does not extend the scope of application of the Utah franchise or business opportunity laws (if any). Any portion of this Agreement that requires enforcement in any other state and is enforceable under the laws of that state but not of Utah, will be construed and enforced according to the laws of that state. All issues or disagreements relating to this Agreement, will be tried, heard, and decided in Utah County, Utah.

I. Successors and Assigns. This Agreement will benefit and bind the respective heirs, executors, administrators, successors, and assigns of the parties.

J. Legal Representation. The parties acknowledge they have been represented by counsel and have been advised of the significance and ramifications of executing this Agreement.

K. Counterparts. This Agreement may be executed simultaneously in counterparts, each of which will be deemed an original, but all of which, together, will constitute one and the same instrument.

[7. **Effective Date**. The effective date of this Agreement shall be the date the last party signs.]

(SIGNATURES APPEAR ON THE FOLLOWING PAGE.)

IN WITNESS WHEREOF, the parties have executed this Agreement.

"Franchisor": BAM Franchising, LLC

By (Signature): _____
Printed Name: _____
Title: _____

"Franchisee":

By: _____
_____, an individual

By: _____
_____, an individual

[ENTITY NAME]

By (Signature): _____
Printed Name: _____
Title: _____

"Transferee":

By: _____
_____, an individual

By: _____
_____, an individual

[ENTITY NAME]

By (Signature): _____
Printed Name: _____
Title: _____

Instructions for signatures (above) for "Franchisee" and "Transferee": If you are a corporation, limited liability company or other business entity, then this Agreement should be signed by a company officer or owner authorized to sign on behalf of the company. Additionally, this Agreement must be signed by all officers and owners of the company as individuals.

EXHIBIT J

STATE EFFECTIVE DATES & RECEIPTS

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
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.

RECEIPT

BAM FRANCHISING, INC

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 BAM FRANCHISING, INC. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. (New York and Rhode Island law require delivery at the earlier of the first personal meeting or at least 10 business days, and Michigan and Wisconsin law require delivery at least 10 business days, before signing/paying.)

If BAM FRANCHISING, INC. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency as identified on Exhibit B.

BAM FRANCHISING, INC.'s franchise sellers are Ammon McNeff, Matthew McNeff, Matthew Thomas, Carson Bird, David Ortiz and Reed Brimhall, 225 West 520 North, Orem, UT 84057, (888) 534-6776.

Issuance Date: April 30, 2021 (and effective as of the individual state registration dates reflected on the cover page).

I have received a Bricks & Minifigs® disclosure document dated as indicated above that included the following Exhibits:

A. Franchise Agreement with attached Schedules
B. List of State Agencies and Regulators
C. Franchise Disclosure Questionnaire
D. State Addenda
E. Operations Manual Table of Contents
F. List of Franchisees
G. Franchisees Who Have Left the System
H. Financial Statements
I. Receipts
J. Form of General Release

DATED this ____ day of _____, 20____.

Signatures of All Prospective Franchisees:

Signature: _____ Signature: _____

Print Name: _____ Print Name: _____

Name of Corporation/LLC/Partnership (if applicable): _____

By: _____ Title: _____

RETURN THIS SIGNED FORM TO THE FRANCHISOR.

Mail to BAM Franchising, Inc., 225 West 520 North, Orem, Utah 84057, or email scanned copy to Franchise@BricksandMinifigs.com, or fax to (888) 801-6454.

RECEIPT

BAM FRANCHISING, INC

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 BAM FRANCHISING, INC. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. (New York and Rhode Island law require delivery at the earlier of the first personal meeting or at least 10 business days, and Michigan and Wisconsin law require delivery at least 10 business days, before signing/paying.)

If BAM FRANCHISING, INC. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency as identified on Exhibit B.

BAM FRANCHISING, INC.'s franchise sellers are Ammon McNeff, Matthew McNeff, Carson Bird, David Ortiz, and Reed Brimhall, 225 West 520 North, Orem, Utah 84057, (888) 534-6776.

Issuance Date: April 30, 2021 (and effective as of the individual state registration dates reflected on the cover page).

I have received a Bricks & Minifigs® disclosure document dated as indicated above that included the following Exhibits:

A. Franchise Agreement with attached Schedules
B. List of State Agencies and Regulators
C. Franchise Disclosure Questionnaire
D. State Addenda
E. Operations Manual Table of Contents
F. List of Franchisees
G. Franchisees Who Have Left the System
H. Financial Statements
I. Receipts
J. Form of General Release

DATED this ____ day of _____, 20____.

Signatures of All Prospective Franchisees:

Signature: _____ Signature: _____

Print Name: _____ Print Name: _____

Name of Corporation/LLC/Partnership (if applicable): _____

By: _____ Title: _____

KEEP THIS COPY FOR YOUR RECORDS.