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Chicken in a Barrel BBQ
FRANCHISE DISCLOSURE DOCUMENT

Chicken In A Barrel Franchising, LLC
A Hawaii limited liability company
5015 Emmalani Dr
Princeville, HI 96722
Tel (808) 826-6777
Email franchise@chickeninabarrel com
www chickeninabarrel com

The franchise that we offer is for a Chicken in a Barrel BBQ restaurant (a "Chicken in a Barrel BBQ Restaurant') Chicken in a Barrel BBQ restaurants feature and serve barrel smoked barbecue chicken, ribs, beef and pork and barbecue style side dishes and may be established as either, a limited menu, limited seating Chicken in a Barrel BBQ Roadside Express or a Full Service Chicken in a Barrel BBQ Restaurant

Single Unit Chicken in a Barrel BBQ Roadside Express or Full Service Restaurant

The total investment necessary to begin operation of a Chicken in a Barrel BBQ Roadside Express is $244,510 to $395,208 This includes $35,000 that must be paid to the Franchisor or Franchisor's affiliate for the initial franchise fee and between $750 to $1,500 that must be paid to the Franchisor or Franchisor's affiliate for initial inventory of our Chicken in a Barrel barbecue seasonings, barbecue rubs and barbecue sauces

The total investment necessary to begin operation of a Full Service Chicken in a Barrel BBQ Restaurant is 497,100 to $687,500 This includes $35,000 that must be paid to the Franchisor or Franchisor's affiliate for the initial franchise fee and between $1,500 to $3,000 that must be paid to the Franchisor or Franchisor's affiliate for initial inventory of our Chicken in a Barrel barbecue seasonings, barbecue rubs and barbecue sauces

Multi-Unit Chicken in a Barrel BBQ Roadside Express or Restaurant Development Agreement

The total investment necessary to begin operation of a Chicken in a Barrel BBQ Roadside Express under a Development Agreement is $274,510 to $425,208 This includes $35,000 that must be paid to the Franchisor or Franchisor's affiliate for the initial franchise fee, $750 to $1,500 that must be paid to the Franchisor or Franchisor's affiliate for initial inventory of our Chicken in a Barrel barbecue seasonings, barbecue rubs and barbecue sauces and $30,000 that must be paid to the Franchisor or Franchisor's affiliate for the Exclusive Development Territory Fee

The total investment necessary to begin operation of a Full Service Chicken in a Barrel BBQ Restaurant under a Development Agreement is $527,100 to $717,500 This includes $35,000 that must be paid to the Franchisor or Franchisor's affiliate for the initial franchise fee, $1,500 to $3,000 that must be paid to the Franchisor or Franchisor's affiliate for initial inventory of our

Chicken in a Barrel barbecue seasonings, barbecue rubs and barbecue sauces and $30,000 that must be paid to the Franchisor or Franchisor's affiliate for the Exclusive Development Territory Fee

Under a Development Agreement you will be required to develop, open and operate a total of three Chicken in a Barrel BBQ Restaurants within a specified Exclusive Development Territory The Development Agreement will specify the type of Chicken in a Barrel BBQ Restaurants – Chicken in a Barrel BBQ Roadside Express or a Full Service Chicken in a Barrel BBQ Restaurant - to be developed

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

You may wish to receive your disclosure document in another form that is more convenient for you To discuss the availability of disclosures in different forms, contact Michael R Pierce, Chicken In A Barrel Franchising, LLC at 5015 Emmalani Dr , Princeville, HI 96722

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

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

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

Issuance Date March 23, 2017

STATE COVER PAGE

Your state may have a franchise law that requires a franchisoi to register or file with a state franchise administration before offering or selling in your state REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT

Call the state franchise administrator listed in Exhibit A to this Franchise Disclosure Document for information about the franchisor, or about franchising in your state

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW

Please consider the following RISK FACTORS before you buy this Franchise

1 THE FRANCHISE AGREEMENT REQUIRES YOU TO SUE THE FRANCHISOR ONLY IN THE STATE OF HAWAII OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST MORE TO SUE THE FRANCHISOR IN THE STATE OF HAWAII

2 THE FRANCHISE AGREEMENT STATES THAT HAWAII LAW GOVERNS EACH AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW YOU SHOULD COMPARE THESE LAWS

3 YOUR SPOUSE MUST ALSO SIGN A PERSONAL GUARANTEE MAKING YOUR SPOUSE INDIVIDUALLY LIABLE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE AGREEMENT THE GUARANTEE WILL PLACE YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS AT RISK IF YOUR FRANCHISE FAILS

4 THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENTRANGING FROM $244,510 TO $717,500 THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF JANUARY 22, 2016, WHICH IS $100,000

5 THE FRANCHISOR HAS BEEN OFFERING FRANCHISES FOR A SHORT PERIOD OF TIME THEREFORE THERE IS ONLY A BRIEF OPERATING HISTORY TO ASSIST YOU IN JUDGING WHETHER OR NOT TO MAKE THE INVESTMENT

6 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

7 THE FRANCHISE AGREEMENT CONTAINS PROVISIONS THAT LIMIT FRANCHISEE'S RIGHTS AND MAY NOT BE ENFORCEABLE IN CALIFORNIA INCLUDING BUT NOT LIMITED TO A WAIVER OF JURY TRIAL AND WAIVER OF PUNITIVE DAMAGES

8 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

Effectıve Date See the next page for state effectıve dates

State Effective Dates

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin

This Franchise Disclosure Document is registered on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates

Effective Dates							
California			Michigan			South Dakota	
Hawaii			Minnesota			Virginia	
Illinois			New York			Washington	
Indiana			North Dakota			Wisconsin	
Maryland			Rhode Island				

In all other states the effective date of this Franchise Disclosure Document is the issuance date of March 23, 2017

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Chıcken ın a Barrel BBQ Franchıse Dısclosure Document

Table of Contents

EXHIBITS

ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

Chicken In A Barrel Franchising, LLC the franchisor of the Chicken in a Barrel BBQ franchise is referred to in this disclosure document as "CBF", "we", "us" or "our" as the context requires A franchisee is referred to in this disclosure document as "you" and "your' as the context requires If you are a corporation, partnership or other legal entity, our Franchise Agreement will also apply to your individual owners, shareholders, members, officers, directors and other principals

The Franchisor

We are a limited liability company established on January 14, 2016 under the laws of the State of Hawaii We conduct business under our corporate name, Chicken In A Barrel Franchising, LLC, and under the Chicken in a Barrel BBQ trade name and we maintain a principal place of business located at 5015 Emmalani Dr , Princeville, HI 96722 Our right to utilize the Chicken in a Barrel BBQ trademark, trade dress, logos and to grant franchises utilizing same exists under a license agreement between us and our affiliate Chicken In A Barrel IP, LLC Our corporate parent is Chicken In A Barrel BBQ, Inc Its principal business address is 5015 Emmalani Drive, Princeville, HI 96722Our agent for service of process is Michael R Pierce, Chicken In A Barrel Franchising, LLC 5015 Emmalani Dr , Princeville, HI 96722

Our business is operating the Chicken in a Barrel BBQ franchise system and granting franchises to third parties like you to establish and operate a Chicken in a Barrel BBQ Restaurant Chicken in a Barrel BBQ Restaurants feature and serve barbecue chicken, ribs, beef and pork and barbecue style side dishes We have only initially begun offering Chicken in a Barrel BBQ Restaurant franchises and have done so as of the initial Issuance Date of this Franchise Disclosure Document We do not conduct a business of the type to be operated by you as a Chicken in a Barrel franchisee Other than as discussed above, we are not in any other business, we have not conducted business in any other line of business and we have not offered or sold franchises in any other line of business We do not have a parent company or any predecessors

The Franchised Business

We have developed and presently license a system (the "System") for the operation of a Chicken in a Barrel BBQ restaurant that may be established as either a limited menu and limited seating Chicken in a Barrel BBQ Roadside Express or a larger more complete menu and capacity seating Full Service Chicken in a Barrel BBQ Restaurant Within this disclosure document we refer to all Chicken in a Barrel BBQ restaurants – whether a Chicken in a Barrel BBQ Roadside Express or a Full Service Chicken in a Barrel BBQ Restaurant – as "Chicken in a Barrel BBQ Restaurant(s)" unless we specify otherwise

Chicken in a Barrel BBQ Restaurants feature and serve barrel smoked barbecue chicken, ribs, beef and pork, barbecue style side dishes and other approved menu items for on-premises, carry-out and optional delivery service The type of the Chicken in a Barrel BBQ Restaurant that you will establish will be specified in your Franchise Agreement

A Chicken in a Barrel BBQ Roadside Express restaurant features and serves a limited menu of barrel smoked barbecue food and side dishes for limited seating on-premises consumption, carry-out and optional delivery Chicken in a Barrel BBQ Roadside Express restaurants are comprised of restaurant facilities that occupy approximately 400 to 1000 square feet and may be comprised of exclusive outdoor or no seating Full Service Chicken in a Barrel BBQ Restaurants are comprised of restaurant facilities that occupy approximately 3,000 to 4,000 square feet and may be comprised of a combination of indoor and outdoor seating

The System is presently identified by the "Chicken in a Barrel BBQ" trademark, the Surfing Chicken logo and such other trade-names, trademarks, service-marks, logotypes, and commercial symbols as we may designate, modify and adopt from time-to-time for use in the System and as same may or may not be registered with the United States Patent and Trademark Office (collectively referred to as the "Marks" or "Licensed Marks")

The System features the prominent display of our Marks and trade dress in connection with the establishment and operation of a Chicken in a Barrel BBQ Restaurant For reference purposes, in this Franchise Disclosure Document, we refer to the Chicken in a Barrel BBQ Restaurants – whether a Chicken in a Barrel BBQ Roadside Express or a Full Service Chicken in a Barrel BBQ Restaurant - in our System as "Chicken in a Barrel BBQ Restaurants" or "Restaurant(s)", and we refer to the Chicken in a Barrel BBQ Restaurant that you will develop and operate as either the "Franchised Business" or "your Chicken in a Barrel BBQ Restaurant"

Franchise Agreement

You may enter into a Chicken in a Barrel BBQ Franchise Agreement in the form attached to this Franchise Disclosure Document as Exhibit "E" (the "Franchise Agreement") to develop, establish and operate a single Chicken in a Barrel BBQ Restaurant The Franchise Agreement will specify whether or not the Chicken in a Barrel BBQ Restaurant to be developed and established will be a Chicken in a Barrel BBQ Roadside Express or a Full Service Chicken in a Barrel BBQ Restaurant If you enter into a Franchise Agreement, as a franchisee, you will be required to develop, establish and operate, a Chicken in a Barrel BBQ Restaurant in accordance with the requirements of our System and at a location for which we have issued a written notice of no objection A Chicken in a Barrel BBQ Restaurant will ordinarily be located in high traffic locations, including strip shopping centers and for Chicken in a Barrel BBQ Roadside Express, high traffic locations that may be seasonal or subject areas with heavy foot traffic If you do not have an approved site for your Chicken in a Barrel BBQ Restaurant, you must select a site in accordance with the Franchise Agreement and subject to our issuance of a written notice of no objection

Your rights in and to the System shall be limited to the establishment and operation of a Chicken in a Barrel BBQ Restaurant — serving only our approved menu items in conformity with our System and the offer and sale of our authorized products from the approved physical location of your Franchised Business

Development Agreement

You may enter into a Development Agreement in the form attached to this Franchise Disclosure Document as Exhibit "E-2" for the right and obligation to develop three (3) Chicken in a Barrel BBQ Restaurants that must be developed and operated in a designated geographic area ("Exclusive Development Territory) Under the Development Agreement you must open, own and operate three (3) Chicken in a Barrel BBQ Restaurants in the Exclusive Development Territory within a given period of time The Development Agreement will specify whether or not the Chicken in a Barrel BBQ Restaurants to be developed and operated shall be either a Chicken in a Barrel BBQ Roadside Express or a Full Service Chicken in a Barrel BBQ Restaurant or a combination thereof Unless otherwise specified, the information contained in this Disclosure Document applies to single unit development under a Franchise Agreement and multi-unit development under a Development Agreement If you are not contracting for the right to develop multiple locations, we will not require you to sign a Development Agreement

Our Affiliates

Chicken In A Barrel BBQ, Inc

Our affiliate Chicken In A Barrel BBQ, Inc is a Hawaii corporation established on May 8, 2013 Chicken In A Barrel BBQ, Inc 's principal business address is 5015 Emmalani Dr , Princeville, HI 96722 Chicken In A Barrel, Inc utilizes the Marks and the System in connection with its operation of a Chicken in a Barrel BBQ Roadside Express located at 4-1586 Kuhio Hwy, Kapaa, HI 96746 and a Full Service Chicken in a Barrel BBQ Restaurant located at 5-5190 Kuhio Hwy, Hanalai, HI 96714 Chicken in A Barrel BBQ, Inc is also our exclusive supplier of many proprietary products including, barbecue seasonings, barbecue rubs and barbecue sauces that you will be required to purchase in the on-going operation of your Chicken in a Barrel Business You will conduct business directly with Chicken In A Barrel BBQ, Inc to purchase barbecue seasonings, sauces and rubs Chicken In A Barrel BBQ, Inc has not in the past and does not now offer franchises in any lines of business

Chicken In A Barrel IP, LLC

Our affiliate Chicken In A Barrel IP, LLC is a Hawaii limited liability company established on January 14, 2016 The principal business address for Chicken In A Barrel IP, LLC is 5015 Emmalani Dr , Princeville, HI 96722 Chicken In A Barrel IP, LLC has granted a license to us concerning the Marks and the System in connection with the license, operation and grant of Chicken in a Barrel BBQ franchises and the www ChickeninaBarrel com website You will not conduct business directly with Chicken In A Barrel IP, LLC Chicken In A Barrel IP, LLC has not in the past and does not now offer franchises in any lines of business

Aloha BBQ, LLC

Our affiliate Aloha BBQ, LLC is a Hawaii limited liability company established on November 15, 2016 Aloha BBQ, LLC 's principal business address is 5015 Emmalani Dr , Princeville, HI 96722 Aloha BBQ, LLC entered into a Chicken in a Barrel Franchise Agreement with us to establish a Chicken in a Barrel Restaurant within Goleta, CA Aloha BBQ, LLC's Chicken in a Barrel Restaurant is under development You will not conduct business directly with Aloha

BBQ, LLC Aloha BBQ, LLC has not in the past and does not now offer franchises in any lines of business

Our Predecessors

We have no predecessors

Competition

The restaurant industry is extremely competitive You will be competing with numerous restaurants that offer a wide range of food and beverage items in a wide variety of service formats You will be competing with many local independently owned businesses and those businesses that are part of a regional or national franchise chain that feature and serve chicken and barbecue chicken, beef, pork and other similar products and their substitutes The market for these items is well established and very highly competitive

Applicable Regulations

Many states and local jurisdictions have laws, rules, and regulations that may apply to your Chicken in a Barrel BBQ Restaurant, including rules and regulations related to construction, design and maintenance of your Chicken in a Barrel BBQ Restaurant, including construction requirements, zoning and availability of outdoor patios, health and sanitation requirements for restaurant operation and employee practices concerning the storage, handling and preparation of food, restrictions on smoking, availability and cleanliness of restrooms, employee health and safety and emergency preparedness, and use, storage and disposal of waste, menu labeling, equal access for the disabled (including requirements imposed by The Americans with Disability Act of 1990 and numerous state equivalent laws that may affect your restaurant construction and/or location requirements, including specialized entrance ramps, doors, seating, bathroom facilities and other facility requirements), offer and sale of alcoholic beverages should you choose to offer same from your Chicken in a Barrel BBQ Restaurant You should investigate whether there are regulations and requirements that may apply in the geographic area where you are interested in locating your Franchised Business

Since Chicken in a Barrel BBQ Restaurants utilize and feature barbecue methods that rely on carbon based fuels and smoking food in barrels that for a Chicken in a Barrel BBQ Restaurant may be located indoors or outdoors and for a Chicken in a Barrel BBQ Roadside Express Restaurant will be located outdoors, you must evaluate the local rules and regulations in your state and local jurisdiction regarding authorization to establish and operate a Chicken in a Barrel BBQ Restaurant, fire codes, building codes, ventilation and safety requirements

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ITEM 2
BUSINESS EXPERIENCE

Michael R Pierce, President and Managing Member

Michael R Pierce is the founder of Chicken In A Barrel Franchising, LLC and since our formation on January 14, 2016, Mr Pierce has served as and continues to serve as our president and Managing Member Since its formation on May 8, 2013, Mr Pierce has been and remains president of our affiliate Chicken in a Barrel BBQ, Inc and manages the operations of our affiliate's two Chicken in a Barrel BBQ restaurants located in Hawaii Prior to the formation of our affiliate Chicken in a Barrel BBQ, Inc , in November, 2010 Mr Pierce established our Chicken in a Barrel BBQ restaurant in Kapaa, Hawaii as a sole proprietor and since such time he has managed the operations of our Kapaa, Hawaii affiliate owned location In October, 2012 Mr Pierce established our Chicken in a Barrel BBQ restaurant in Hanalai, Hawaii as a sole proprietor and since such time he has managed the operations of our Hanalai, Hawaii affiliate owned location

In addition to the initial franchise fee, there are other initial fees that, depending on the type of your Chicken in a Barrel Restaurant, you are required to pay to us or to our affiliate before you begin operating your Chicken in a Barrel Restaurant Franchisee's operating a Chicken in a Barrel BBQ Roadside Express will pay to us or our affiliate between $750 to $1,500 for an initial opening minimum inventory of our Chicken in a Barrel barbecue seasonings, barbecue rubs and barbecue sauces Franchisee's operating a Full Service Chicken in a Barrel BBQ Restaurant will pay to us or our affiliate between $1,500 to $3,000 for an initial opening minimum inventory of our Chicken in a Barrel barbecue seasonings, barbecue rubs and barbecue sauces

For the period of January, 2011 and continuing to date, Mr Pierce has been and remains the sole proprietor of a construction business known as Pierce Construction and since January 12, 2013 and continuing to date, Mr Pierce has been and remains a Pastor at Calvery Chapel in North Shore Kauai

Brent Bierma, Vice President

Since our formation on January 14, 2016, Mr Bierma has served as and continues to serve as our vice president Since the establishment of our affiliate owned Chicken in a Barrel BBQ location in Kapaa, Hawaii in November, 2010, Mr Bierma has been and continues to be an employee and manager of this Chicken in a Barrel BBQ restaurant location Since the establishment of our affiliate Chicken in a Barrel BBQ restaurant in Hanalai, Hawaii in October, 2012, Mr Bierma has been and continues to be an employee and manager of this Chicken in a Barrel BBQ restaurant location For the period of February, 2009 to December 28, 2013 Mr Bierma was employed by Pierce Construction as a carpenter

Patrick Pepper, Vice President

Since our formation on January 14, 2016, Mr Pepper has served and continues to serve as our vice president For the period of January 2012 and continuing to date, Mr Pepper has been and continues to be an employee and manager of our affiliate Chicken in a Barrel BBQ restaurant in Kapaa, Hawaii Since the establishment of our Chicken in a Barrel BBQ restaurant in Hanalai, Hawaii in October, 2012, Mr Pepper has been and continues to be an employee and manager of this Chicken in a Barrel BBQ restaurant location In 2011 Mr Pepper was self-employed as a paint contractor

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item

ITEM 4
BANKRUPTCY

No bankruptcies are required to be disclosed in this Item

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ITEM 5
INITIAL FEES

Franchise Agreement

When you sign a Franchise Agreement you must pay to us an initial franchise fee of $35,000 The initial franchise fee is the same whether your Chicken in a Barrel BBQ Restaurant is a Chicken in a Barrel BBQ Roadside Express or a Full Service Chicken in a Barrel BBQ Restaurant

The initial franchise fee will be fully earned by us when paid and must be paid in a single lump-sum amount at the time of signing your Franchise Agreement The initial franchise fee is not refundable, except that we may, in our sole discretion, keep Seven Thousand ($7,000) Dollars of the initial franchise fee and refund the remainder of the initial franchise fee to you should we cancel the Franchise Agreement within 180 days after you sign the Franchise Agreement if we determine that (a) any financial, personal or other information provided by you is materially false, misleading, incomplete or inaccurate, (b) you or your managers fail to successfully complete our training program or we determine that you or your managers are incapable of successfully completing our training program, (c) you fail – within six (6) months from the date of signing your Franchise Agreement - to acquire or lease a suitable site for your Chicken in a Barrel BBQ Restaurant The initial franchise fee represents consideration for a territory as referenced in Item 12 and is used by us, in part, to defray our costs for providing training and other services

Development Agreement

If you enter into a Development Agreement with us, you must pay a non-refundable exclusive development territory fee of $30,000 You will be designated an exclusive development territory and within such territory you will be required to develop, establish and operate three (3) Chicken in a Barrel BBQ Restaurants The scope and size of your exclusive development territory may be less that the aggregate operating territories that may be granted to you pursuant to each Chicken in a Barrel BBQ Restaurant that you develop pursuant to the Development Agreement The exclusive development territory fee that you must pay to us is in addition to the initial franchise fees that you will be required to pay us for each Chicken in a Barrel BBQ Restaurant that you develop pursuant to the terms of the Development Agreement The exclusive development territory fee is the same whether the Chicken in a Barrel BBQ Restaurant's that you will be required to establish, develop and operate is a Chicken in a Barrel BBQ Roadside Express or a Full Service Chicken in a Barrel BBQ Restaurant or a combination thereof The Development Agreement will specify whether or not the Chicken in a Barrel BBQ Restaurants to be developed and operated shall be either a Chicken in a Barrel BBQ Roadside Express or a Full Service Chicken in a Barrel BBQ Restaurant or a combination thereof

The scope and size of your exclusive development territory may vary significantly from other franchisees who also enter into a Development Agreement and may be influenced by factors (as exclusively determined by us) such as (a) the size and population density of the exclusive development territory, (b) market potential The exclusive development territory fee is a fixed fee of $30,000 For each of the Chicken in a Barrel BBQ Restaurants that you will be required to develop, establish and operate within the exclusive development territory you will be required to sign our then current Chicken in a Barrel BBQ Franchise Agreement and pay to us an initial franchise fee for each Chicken in a Barrel BBQ Restaurant that you are required to develop The initial franchise fee for the first Chicken in a Barrel BBQ Restaurant that you are required to develop is $35,000 The initial franchise fee for the second Chicken in a Barrel BBQ Restaurant that you are required to develop under our Development Agreement is $15,000 The initial franchise fee for the third Chicken in a Barrel BBQ Restaurant that you are required to develop under our Development Agreement is $15,000

Your Development Agreement will be for a term of three years In the first year of the Development Agreement you must develop, establish and operate one Chicken in a Barrel BBQ Restaurant In the second year of the Development Agreement you must develop your second Chicken in a Barrel BBQ Restaurant and by the end of the second year have two Chicken in a Barrel BBQ Restaurants in operation In the third year of the Development Agreement you must develop your third Chicken in a Barrel BBQ Restaurant and by the end of the third year have three Chicken in a Barrel BBQ Restaurants in operation

When you enter into the Development Agreement you must also sign the Franchise Agreement for your first Chicken in a Barrel BBQ Restaurant that you will be required to establish under the Development Agreement and you must pay to us the initial franchise fee of $35,000 Thereafter, for each Chicken in a Barrel BBQ Restaurant that you will be required to establish and open under the Development Agreement you must sign our then-current standard Franchise Agreement for each additional Chicken in a Barrel BBQ Restaurant that you develop in the Exclusive Development Territory on or before the earlier of (i) the date you sign a lease for the business premises, (ii) the date you sign a purchase agreement for the real estate, or (iii) 9 months before the date the Chicken in a Barrel BBQ must be open and in operation pursuant to the development schedule of your Development Agreement The initial franchise fee for the second Chicken in a Barrel BBQ Restaurant that you will be required to developed under the Development Agreement is $15,000 even if the then current form of Franchise Agreement requires payment of an Initial Fee that is more, or less, than this amount The initial franchise fee for the third Chicken in a Barrel BBQ Restaurant that you will be required to developed under the Development Agreement is $15,000 even if the then current form of Franchise Agreement requires payment of an initial fee that is more, or less, than this amount

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ITEM 6
OTHER FEES

Type of Fee (Note 1)	Amount	Due Date	Remarks
Royalty	6% of gross sales (Note 2)	Due weekly on the third day following the end of each accounting week	This payment will be automatically drafted from your business bank account or automatically by debit to your business bank account This fee is not refundable
Brand Development Fund	Up to 1% of gross sales (Note 2) Currently the Brand Development Fund Fee is 0 5% of Gross Sales	Due weekly on the third day following the end of each accounting week	This payment will be drafted from your business bank account This fee is not refundable
Grand Opening Advertising Program	$4,000	Within one month of the opening of your Chicken in a Barrel BBQ Restaurant	Within the first month of the opening of your Chicken in a Barrel BBQ Restaurant you must market and promote its grand-opening You must submit to us you grand-opening marketing plan for our approval prior to opening
Local Advertising (Note 3)	Minimum of One (1%) Percent of monthly gross sales	Monthly, as incurred by you and negotiated with local advertising suppliers	You must provide us with a monthly accounting of these expenditures Your advertising and marketing efforts must meet our standards and specifications and will be subject to our approval
Relocation	Our costs and expenses but not exceeding $5,000	On demand	You must obtain our approval to relocate your Chicken in a Barrel BBQ Restaurant If you make such a request you must pay us the costs and expenses we incur in evaluating such request

Type of Fee (Note 1)	Amount	Due Date	Remarks
Renewal	25% of our then current initial franchise fee	Upon signing renewal franchise agreement	Upon expiration of your initial franchise agreement you may possess the right, subject to our approval, to renew your Chicken in a Barrel BBQ Restaurant franchise At the time of renewal you will be required to sign our then current Franchise Agreement
Transfer	$10,000	Prior to the date of transfer	All transfers are subject to our approval and require the transferee's satisfaction of our training requirements This fee is not refundable
Operations Manual Replacement	Our then current fee, currently $500	On demand	If your confidential operations manual is lost, destroyed or significantly damaged, you must pay us a fee to replace your operation manual This fee is paid to us and is not refundable
Royalty Payment Late Charge	The lesser of Five Percent (5%) per month of any late royalty payment or Fifty Dollars ($50)	On demand	Applies to past due payments of Royalties
Royalty Reporting Charge	Fifty Dollars ($50) per occurrence	On demand	If you fail to submit to us a complete and accurate Royalty Report on the third day from the end of each week for the preceding accounting week, you will be required to pay a royalty reporting charge
Interest Charges	The lesser of eighteen (18%) percent per annum or the maximum legal rate allowable by the State in which your Chicken in a Barrel BBQ Restaurant is located	On demand	Applies to past due payments of royalties, advertising fund fees and all other fees, charges and payments due to us from you Interest begins to accrue as of the date that any payment is due from you to us This fee is not refundable See, Note 4

Type of Fee (Note 1)	Amount	Due Date	Remarks
Review and Audit	Actual Costs	On demand	You must pay to us the costs that we incur in connection with the review and audit of your records if the review and/or audit performed by us results in a finding that you have failed to comply with the terms of your Franchise Agreement These fees are not refundable and include the actual costs that we incur including, but not limited to, fees for accounts, attorneys, administrative staff, travel and lodging expenses
Collection Costs and Attorney Fees	Amount incurred by US (a) to collect unpaid Royalty Fees and Advertising Fees and/or (b) amount incurred by US in connection with any lawsuit or litigation respecting Franchisees breach of the Franchise Agreement	On demand	Includes the amount of attorney's fees, deposition expenses, expert witness fees, accounting fees and filing fees
Noncompliance Fee	Amount of fees, costs and/or expenses that we incur in connection with your nonperformance of your obligations under the Franchise Agreement Includes attorney fees	On demand	You must pay to us and reimburse us for all costs, fees and expenses that we incur as a result of or in connection with your breach of the Franchise Agreement This includes legal fees, expenses and costs that we incur with outside legal counsel and costs associated with services and/or work performed by our own in-house legal staff

Type of Fee (Note 1)	Amount	Due Date	Remarks
Testing Fee	$50 00 per item or service to be evaluated plus actual costs associated with testing and inspection	Within 14 days of our invoice	Payable when you request approval to use an unapproved supplier This fee is refundable if we approve of the product or supplier for use by the entire franchise system

Footnotes to Item 6
"Other Fees"

Note 1 [Recurring Fees]
The above table describes other recurring or isolated fees or payments that you must pay to us or our affiliates, or which we or our affiliates impose or collect on behalf of a third party, in whole or in part All fees are recurring unless noted otherwise and apply to all Chicken in a Barrel BBQ Restaurants including Chicken in a Barrel BBQ Roadside Express and Full Service Chicken in a Barrel BBQ Restaurants All fees are non-refundable and are uniformly charged to and collected from franchisees All fees are payable to us and shall be payable subject to our specification and instruction, including, but not limited to, our election to have all fee automatically drafted from your business bank account or automatically debit / charged to your business bank account If you enter into a Development Agreement or open multiple Chicken in a Barrel BBQ Restaurants then these recurring fees shall respectively apply to each and every Chicken in a Barrel BBQ Restaurant

Note 2 [Gross Sales]
The term "Gross Sales" as used in this Disclosure Document and the Franchise Agreement means the total dollar sales from all customers of your Chicken in a Barrel BBQ Restaurant and further includes the total gross amount of revenues and sales from whatever source derived, whether in form of cash, credit, agreements to pay or other consideration including the actual retail value of any goods or services traded, borrowed, or received by you in exchange for any form of non-money consideration (whether or not payment is received at the time of the sale or any amount is proved uncollectible), from or derived by you or any other person from business conducted or which started in, on, from or through the Franchised Business and/or the premises of the Franchised Business whether this business is conducted in compliance with or in violation of the terms of the Franchise Agreement Gross Sales do not include sales or use taxes collected by you If any federal, state or local tax other than an income tax is imposed upon the Royalty Fee paid by you to us which we cannot offset against taxes required to be paid under any applicable federal or state laws, you must compensate us in the manner prescribed by us so that the net amount or net rate received by us is not less than that which has been established by the Franchise Agreement and which was due to us on the effective date of the Franchise Agreement

Note 3 [Royalty Fees]
Each week you must pay to us a continuing Royalty Fee The continuing weekly Royalty Fee is based upon a percentage of the weekly Gross Sales of your Chicken in a Barrel BBQ Restaurant

Note 4 [Maximum Interest]
The highest interest rate allowed by law in the State of California is ten (10%) percent

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ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT
Chicken in a Barrel BBQ Roadside Express

Type of Expenditure (Note 1)	**Amount**	**Method of Payment**	**When Due**	**To Whom Payment is Made**
Initial Franchise Fee (Note 2)	$35,000	Lump sum	Upon signing Franchise Agreement	Us
Exclusive Development Territory Fee *(Development Agreement Only)* (Note 3)	$30,000	Lump Sum	Upon signing of Franchise Agreement	Us
Construction, Leasehold Improvements, Furniture and Fixtures (Note 4)	$75,000 - $175,000	Varies	Prior to opening	Third party suppliers or our approved vendors but subject to our specifications and approval
Equipment (Note 5)	$65,710 - $68,708	As billed	As incurred	Third party suppliers or our approved vendors but subject to our specifications and approval
Signs (Note 6)	$3,500 - $8,000	As billed	Before opening	Third party suppliers or our approved vendors but subject to our specifications and approval

Type of Expenditure (Note 1)	Amount	Method of Payment	When Due	To Whom Payment is Made
Computer, Software and Point of Sales System (Note 7)	$3,000 - $3,500	As billed	As incurred	Third party suppliers or our approved vendors but subject to our specifications and approval
Initial Inventory (Note 8)	$13,000 - $14,000	As billed	Before opening	Us or our affiliate
Prepaid Rent and Lease Deposits (Note 9)	$0 - $18,000	Lump sum	Varies	Third party landlord
Utility Deposits (Note 10)	$800 - $1,000	As billed	Before opening	Utility companies
Insurance Deposits and Premiums (Note 11)	$3,500 - $4,000	As billed	Varies	Insurance companies
Travel and Lodging for Initial Training (Note 12)	$1,000 - $9,000	As incurred	Before opening	Third party
Grand-Opening Marketing (Note 13)	$4,000	As Incurred	Before opening but in accordance with your grand opening marketing plan approved by us	Third party suppliers or our approved vendors but subject to our specifications and approval
Professional Fees (Note 14)	$3,000 - $6,000	As billed	Before opening	Third parties, including attorneys, accountants and architects

Type of Expenditure (Note 1)	Amount	Method of Payment	When Due	To Whom Payment is Made
Business Licenses and Permits (Note 15)	$1,000 - $2,000	Lump sum	Before opening	Government authorities
Printing, Stationary and Office Supplies (Note 16)	$1,000 - $2,000	As billed	Before opening	Third party
Additional Funds – Initial period of 3 months (Note 17)	$35,000 - $45,000	As incurred	Before opening	Us, utilities approved vendors, employees and other providers of services and/or goods necessary for the operation of your Chicken in a Barrel BBQ Restaurant
Total Estimate Franchise Agreement (Note 18)	$244,510 - $395,208			
Total Estimate Development Agreement Only (Note 19)	$274,510 - $425,208			

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YOUR ESTIMATED INITIAL INVESTMENT

Full Service Chicken in a Barrel BBQ Restaurant

Type of Expenditure (Note 1)	Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee (Note 2)	$35,000	Lump sum	Upon signing Franchise Agreement	Us
Exclusive Development Territory Fee *(Development Agreement Only)* (Note 3)	$30,000	Lump Sum	Upon signing of Franchise Agreement	Us
Construction, Leasehold Improvements, Furniture and Fixtures (Note 4)	$245,000 - $345,000	Varies	Prior to opening	Third party suppliers or our approved vendors but subject to our specifications and approval
Equipment (Note 5)	$92,300 - $110,000	As billed	As incurred	Third party suppliers or our approved vendors but subject to our specifications and approval
Signs (Note 6)	$11,000 - $14,000	As billed	Before opening	Third party suppliers or our approved vendors but subject to our specifications and approval
Computer, Software and Point of Sales System (Note 7)	$4,500 - $5,500	As billed	As incurred	Third party suppliers or our approved vendors but subject to our approval

Type of Expenditure (Note 1)	Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Inventory (Note 8)	$17,800 - $20,000	As billed	Before opening	Us or our affiliate
Prepaid Rent and Lease Deposits (Note 9)	$0 - $36,000	Lump sum	Varies	Third party landlord
Utility Deposits (Note 10)	$2,000 - $3,000	As billed	Before opening	Utility companies
Insurance Deposits and Premiums (Note 11)	$3,500 - $4,000	As billed	Varies	Insurance companies
Travel and Lodging for Initial Training (Note 12)	$1,000 - $9,000	As incurred	Before opening	Third party
Grand-Opening Marketing (Note 13)	$4,000	As Incurred	Before opening but in accordance with your grand opening marketing plan approved by us	Third party suppliers or our approved vendors but subject to our specifications and approval
Professional Fees (Note 14)	$3,000 - $6,000	As billed	Before opening	Third parties, including attorneys, accountants and architects
Business Licenses and Permits (Note 15)	$1,500 - $3,000	Lump sum	Before opening	Government authorities

Type of Expenditure (Note 1)	Amount	Method of Payment	When Due	To Whom Payment is Made
Printing, Stationary and Office Supplies (Note 16)	$1 500 - $2,000	As billed	Before opening	Third party
Additional Funds – Initial period of 3 months (Note 17)	$75,000 - $91,000	As incurred	Before opening	Us, utilities approved vendors, employees and other providers of services and/or goods necessary for the operation of your Chicken in a Barrel BBQ Restaurant
Total Estimate Franchise Agreement (Note 18)	$497,100 - $687,500			
Total Estimate Development Agreement Only (Note 19)	$527,100 - $717,500			

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Footnotes to Item 7

"Youı Estımated Inıtıal Investment"

Chıcken ın a Barrel BBQ Roadsıde Express and Chıcken ın a Barrel BBQ Restaurant

Note 1 [About Your Estımated Inıtıal Investment]
These are only estımates and your costs may vary dependıng on the sıze of your Chıcken ın a Barrel BBQ Restaurant, economıc and market condıtıons, competıtıon, wage rates, the capabılıtıes of your management team, your busıness experıence and other factors Varıatıons exıst between a Chıcken ın a Barrel BBQ Roadsıde Express and Chıcken ın a Barrel BBQ Restaurant You should carefully revıew these estımates wıth your busıness, accountıng and legal advısors before makıng any decısıon ın sıgnıng a Chıcken ın a Barrel BBQ franchıse agreement These estımates do not ınclude ınterest and financıng charges that you may ıncur and they do not ınclude royaltıes, marketıng development and other contınuıng fees that you wıll be requıred to pay to us Payments are non-refundable unless otherwıse noted We do not offer dırect or ındırect financıng

The total estımates are based on the hıstorıcal experıence of our affilıates Your costs may vary based on a number of factors ıncludıng but not lımıted to the geographıc area ın whıch you open, local market condıtıons, the locatıon selected, the tıme ıt takes to buıld sales of the establıshment and your skılls at operatıng a busıness We stıongly recommend that you use these categorıes and estımates as a guıde to develop your own busıness plan and budget and ınvestıgate specıfic costs ın your aıea

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Note 2 [Initial Franchise Fee]

<u>Franchise Agreement Only</u>
The Initial Franchise Fee for your Chicken in a Barrel BBQ Restaurant is $35,000 If you sign a Development Agreement you will be required to develop three Chicken in a Barrel BBQ Restaurants within an Exclusive Development Territory

<u>Development Agreement</u>
Under the Development Agreement the following the Initial Franchise Fees shall apply

Initial Franchise Fee (First Chicken in a Barrel BBQ Restaurant)
$35,000 Initial Franchise Fee for the first Chicken in a Barrel BBQ Restaurant to be developed pursuant to Development Agreement This is in addition to the $30,000 Exclusive Development Territory Fee that must be paid at time of signing Development Agreement, *See*, Note 3

Initial Franchise Fee (Second Chicken in a Barrel BBQ Restaurant)
$15,000 Initial Franchise Fee for the second Chicken in a Barrel BBQ Restaurant to be developed pursuant to Development Agreement

Initial Franchise Fee (Third Chicken in a Barrel BBQ Restaurant)
$15,000 Initial Franchise Fee for the third Chicken in a Barrel BBQ Restaurant to be developed pursuant to Development Agreement

The Initial Franchise Fee is the same whether your Chicken in a Barrel BBQ Restaurant is a Chicken in a Barrel BBQ Roadside Express or a Full Service Chicken in a Barrel BBQ Restaurant

<u>Franchise Agreement and Development Agreement</u>
All fees paid to us for your Initial Franchise Fee are non-refundable However we maintain the unilateral right to cancel your Franchise Agreement within one hundred and eighty (180) days of your execution of the Franchise Agreement We will keep Seven Thousand ($7,000) Dollars of the Initial Franchise Fee and refund the remainder to you should we, in our sole discretion, elect to cancel the Franchise Agreement within one hundred and eighty (180) days after you sign the Franchise Agreement if we determine that (a) any financial, personal or other information provided by you is materially false, misleading, incomplete or inaccurate, (b) you or your managers fail to successfully complete our training program or we determine that you or your managers are incapable of successfully completing our training program, (c) you fail – within six (6) months from the date of signing your Franchise Agreement - to acquire or lease a suitable site for your Chicken in a Barrel BBQ Restaurant There are no refunds under any other circumstances and the foregoing shall not limit our right to terminate or cancel your franchise agreement under other circumstances

Note 3 Exclusive Development Territory Fee

The Exclusive Development Territory Fee is only due if you are signing a Development Agreement that will require you to develop, establish and operate three Chicken in a Barrel BBQ Restaurants (See, Item 5 of this Disclosure Document for a description of the Exclusive Development Territory Fee) The Exclusive Development Territory Fee is the same whether your Chicken in a Barrel BBQ Restaurant is a Chicken in a Barrel BBQ Roadside Express or a Full Service Chicken in a Barrel BBQ Restaurant The Exclusive Development Territory Fee is in addition to the Initial Franchise Fees that you will be required to pay for each of the three Chicken in a Barrel BBQ Restaurants that you will be required to develop

Note 4 [Construction, Leasehold Improvements, Furniture and Fixtures]

This estimate is for the costs for the development of a Chicken in a Barrel BBQ Restaurant and for furniture and fixtures for the restaurant We have based our estimates on the historical experience of our affiliate The size of the location is a significant factor in the determination of these costs Significant variation will exist between a Chicken in a Barrel BBQ Roadside Express and a Chicken in a Barrel BBQ Restaurant Our estimates are based on the following size ranges

Chicken in a Barrel BBQ Restaurant Type	Estimated Square Footage
Chicken in a Barrel BBQ Roadside Express	400 to 1,000 square feet
Full Service Chicken in a Barrel BBQ Restaurant	3,000 to 4,000 square feet

The difference in the low and the high improvement cost estimates is due to differences in the physical attributes of the location such as ceiling heights and street frontage These estimates are applicable to a site which has been obtained in the "vanilla box" stage, which refers to the interior condition of either a new or existing building in which the improvements generally consist of heating/cooling with delivery systems, essential lighting, electrical switches and outlets, lavatories, a finished ceiling, walls that are prepped for painting and a concrete slab floor These numbers are not inclusive of any architect fees or other fees charged by licensed professionals (other than general contractors and licensed tradesmen) and do not include any special heating cooling or ductwork required by a restaurant They also do not include any financial contributions by a landlord The costs of the furniture and fixtures may differ depending on the material quality and on other factors As in development of any business locations, there are many variables that may impact your overall costs including landlord contribution, the size of your location, rates for construction, personnel, freight, vendor pricing and taxes, overall costs and efficiencies in your market Your cost for developing your location may be higher or lower than the estimates provided Third-party financing may be available for qualified candidates for some of the leasehold improvement costs, however with such financing comes associated costs and fees which will cause the cost to exceed what is indicated in this chart

Note 5 [Equipment]
You will be required to purchase certain types of furniture, fixtures and equipment for your Chicken in a Barrel BBQ Restaurant Among other things, you will be required to purchase specialized carbon scrubbing ventilation exhaust systems, smoking barrels and smoking tools and utensils, refrigeration, cooking equipment, freezers, shelving, lighting and computer equipment from us or our approved manufacturers and/or suppliers and/or subject to our specifications

These figures represent the purchase of the necessary restaurant from suppliers to provide the franchised services The costs listed here do not include any transportation or set up costs It is assumed that some of the equipment, specifically the dishwashing equipment, will be leased If you elect to purchase such equipment, your costs may be higher Third-party financing may be available for qualified candidates for some of the leasehold improvement costs, however, with such financing comes associated costs and fees which will cause the cost to exceed what is indicated in this chart

Note 6 [Signs]
You will be required to purchase, subject to our design and construction specifications and approval, interior and exterior signs and displays that we designate This estimate is for the cost to produce wall signage to be mounted to the outside of the building as well as all interior signage Additionally, these figures include various other elements of brand identification within the location such as wall graphics

Note 7 [Computer, Software and Point of Sales System]
The Point of Sales ("POS") system is the equipment that tracks the sales of your Franchised Business It is assumed that the POS system will be leased If you elect to purchase such equipment, your costs may be higher

Note 8 [Initial Inventory]
Your initial inventory, smallwares, uniforms and supplies and your on-going inventory and supplies which you are required to obtain from us, our affiliate or from our designated suppliers are paid for at standard prices and terms and your ongoing inventory must be purchased from either us or our approved vendors only Your pre-opening inventory and on-going inventory of food products and supplies including, among other things, barbecue seasonings, barbecue rubs, barbecue sauces, smoking equipment and smoking barrels and other designated menu items must be purchased from us directly or our affiliate at those standard prices and terms that we designate Your initial inventory will also include printing a start-up order of stationary, business cards and menus bearing the Marks

Note 9 [Lease Deposits][Real Property]
You will be required to operate your Chicken in a Barrel BBQ Restaurant from a commercial business location that we approve and that complies with local and state laws The cost of real estate varies considerably based on the local real estate market and the size and location of the property that you elect to purchase or lease The "Estimated Initial Investment" respecting your franchised establishment of a Chicken in a Barrel BBQ Restaurant is based on the assumption that you will be leasing the business location for your Chicken in a Barrel BBQ Restaurant You will be required to pay the landlord a security deposit that will be calculated based upon a

number of months rent that the landlord requires to be held as security The amount of your security deposit is something that you will negotiate directly with the landlord and will vary significantly based on a number of factors, including the desirability of your leased location and your own negotiations

This estimates represent a deposit from zero up to three (3) months of rent Our estimates vary depending on the type of your Chicken in a Barrel BBQ Restaurant, based on square footage of 400 to 1,000 square feet for a Chicken in a Barrel BBQ Roadside Express and 3,000 to 4,000 square feet for a Full Service Chicken in a Barrel BBQ Restaurant The estimates are for the square footage facility size ranges set forth in the preceding table at net rental rates of $40 00 per square foot respectively If your location is in a downtown or prestigious area, your rent may be higher Pre-paid rent is generally non-refundable while security or other deposits may be refundable either in full or in part depending upon your lease or rental contract

The "Estimated Initial Investment" does not include the purchase of real property should you elect to purchase the real property as the approved location for your Chicken in a Barrel BBQ Restaurant

Note 10 [Utility Deposits]
In order to secure the appropriate utilities required for the operation of your Chicken in a Barrel BBQ Restaurant, including but not limited to gas, electric, water, sewer and a high speed internet connection, you will be required to pay upfront deposits to each applicable utility company

Note 11 [Insurance Deposits and Premiums]
You are required to maintain certain specified insurance respecting the operations of your Chicken in a Barrel BBQ Restaurant Your actual payments for insurance and the timing of those payments will be determined based on your agreement with your insurance company and/or insurance agent The cost of your insurance coverage will be based on factors outside of our control The amount charged for insurance coverage may be significantly more or less than our estimate

This estimate is for the cost of deposit in order to obtain the minimum required insurance You should check with your local carrier for actual premium quotes and costs, as well as the actual cost of the deposit The cost of coverage will vary based upon the area in which your Franchised Business will be located, your experience with the insurance carrier, the loss experience of the carrier and other factors beyond our control We strongly recommend that you consult with your insurance agent before proceeding with the investment in a Chicken in a Barrel BBQ Restaurant

Note 12 [Travel and Lodging]
This estimate is for the cost for you or your Managing Principal (defined as the managing shareholder, member or partner of Franchisee if Franchisee is an entity), plus two people to attend the initial training program held in Hanalai, HI We do not charge tuition for training up to three people, but you will be responsible for all costs associated with attending the initial training program for you and your staff Your costs will depend on the number of people attending training, their point of origin, method of travel, class of accommodation and living expenses (food, transportation, etc) The duration of the training program is 90 hours This estimate does not include the cost of labor

Note 13 [Grand-Opening Marketing Expense]
You must spend a minimum of $4,000 within the first month of opening your Chicken in a Barrel BBQ Franchise for the purpose of promoting your grand opening Prior to the opening of your Chicken in a Barrel BBQ Restaurant you must submit your grand opening marketing plan to us for our approval

Note 14 [Professional Fees]
These fees are representative of the costs for engagement of professionals such as attorneys accountants and architects for the initial review and advisories consistent with the start-up of a Franchised Business We strongly recommend that you seek the assistance of professional advisors when evaluating this franchise opportunity, this disclosure document and the Franchise Agreement It is also advisable to consult these professionals to review any lease or other contracts that you will enter into as part of starting your Chicken in a Barrel BBQ Restaurant

Note 15 [Business Licenses and Permits]
You are responsible for applying for, obtaining and maintaining all required permits and licenses necessary to operate your Franchised Business The figures represented here do not include the costs associated with obtaining a liquor license You should thoroughly investigate the cost of obtaining a liquor license which can vary greatly in different states and municipalities

The licenses necessary to operate your Chicken in a Barrel BBQ Restaurant will vary depending on local, municipal, county and state regulations All licensing fees are paid directly to the governmental authorities when incurred, and are due prior to opening for business

If you serve beer, wine and liquor at your Chicken in a Barrel BBQ Restaurant for on premises consumption, carryout or delivery, you will be required to comply with all applicable laws including the local and state alcohol consumption laws where your Restaurant is located To serve alcohol, you will be required to obtain a liquor license Depending on the location, the cost of a liquor license (permitting the on-premises consumption of beer, wine and alcohol), if available, will vary dramatically and can cost up to several hundred thousand dollars Since licensing rules differ considerably from state to state, we recommend that you thoroughly investigate the costs and alternatives in your area prior to signing a Franchise Agreement

Note 16 [Printing, Stationary and Office Supplies]
This figure is primarily for printing a start-up order of stationery, menus and business cards bearing the Principal Trademarks and a supply of office materials

Note 17 [Additional Funds]
You will need additional capital to support on-going businesses expenses such as payroll, inventory, marketing, rent and utilities to the extent that these costs are not covered by the sales revenue that your Chicken in a Barrel BBQ Restaurant generates It is extremely common for new businesses to generate negative cash flow We estimate that this additional funds estimate will be sufficient to cover on-going expenses for the start-up phase of your Chicken in a Barrel BBQ Restaurant, which we calculate and estimate to be three months This is only an estimate and we cannot assure you that you will not incur additional expenses during the initial start-up phase or that your start-up phase will not last longer than three months Also there is no assurance that additional working capital will not be necessary during this start-up phase or after

This estimate is for one Chicken in a Barrel BBQ Restaurant and if you sign a Development Agreement the estimated amount will be required for each Chicken in a Barrel BBQ Restaurant that you develop We have relied on the experience of our affiliate owned Chicken in a Barrel BBQ Restaurants in making this estimate

Note 18 [Franchise Agreement Only Total]
This is an estimate if you are signing a Franchise Agreement only and does not include fees associated with the Development Agreement

Note 19 [Development Agreement Total]
This is an estimate if you are signing a Development Agreement This estimated total includes the Exclusive Development Territory Fee All other estimates contained in this total relate exclusively to only one Chicken in a Barrel BBQ Restaurant To the extent that you establish and develop additional Chicken in a Barrel BBQ Restaurants you will continue to incur these fees on a per restaurant basis except that the Initial Franchise Fee for the second and third Chicken in a Barrel BBQ Restaurants that you will be required to develop will be $15,000 for each additional Chicken in a Barrel BBQ Restaurant established pursuant to the terms of the Development Agreement

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ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To insure that our standards and specifications of quality and service are maintained, you must operate your Chicken in a Barrel BBQ Restaurant in strict conformity with the methods, standards, specifications and sources of supply that we designate and prescribe in our Operations Manual

At all times during the Term of your Franchise Agreement, you must

(i) offer for sale only those products for which we have given written approval,

(ii) sell or offer for sale only those products that we require,

(iii) use the ingredients and employ only the preparation standards and techniques that we specify,

(iv) not deviate from our standards and specifications, including our requirements concerning product preparation, unless you have received our prior written consent,

(v) stop selling and offering for sale any products that we have later disapproved, and

(vi) exclusively purchase those raw materials, prepared products and ingredients that we designate as proprietary from usor the suppliers that we designate in writing

You must buy all proprietary items (as we may designate same) products, raw materials, ingredients, prepared foods, materials and inventory and other products used or offered for sale at your Chicken in a Barrel BBQ Restaurant only from suppliers (including manufacturers, distributors and other sources, including us or our affiliates) that we approve in writing When considering and evaluating the approval of a particular supplier, among other things, we consider whether the supplier can demonstrate to our reasonable satisfaction the ability to meet our standards, specifications and production requirements, the suppliers quality control, whether or not we are the exclusive supplier of the particular item, whether or not our affiliate or affiliates are the exclusive supplier of the particular item, and whether or not the suppliers approval, in our sole and exclusive determination, will allow us to advance the overall interests of our franchise system In many instances our affiliate or affiliates is/are and shall remain the sole and exclusive suppliers of a significant majority of the raw materials, prepared products and ingredients and supplies, including but not limited to barbecue seasonings, barbecue rubs, barbecue sauces, smoking equipment and smoking barrels that we designate as proprietary and required for the day-to-day preparation and sale of food and beverages from your Chicken in a Barrel BBQ Restaurant We will notify you of our approval or disapproval of your request to utilize a particular supplier within 90 days of your written request

In addition to proprietary items, you must purchase or lease certain products or services required for your Chicken in a Barrel BBQ Restaurant from suppliers and distributors designated and approved by us We will provide a written list of approved suppliers and distributors for furniture, fixtures, leasehold improvements, signs, point of sale systems, computer hardware, computer software, computer services and online database, accounting and software systems We will notify you of any additions to or deletions from this list and will provide you with written standards and specifications for your Chicken in a Barrel BBQ Restaurant, your furniture, fixtures, equipment, and signs, your Chicken in a Barrel BBQ Restaurant premises, and insurance Suppliers and distributors are evaluated for their ability to satisfy supply chain requirements while maintaining or improving quality, service, and brand identification These requirements are necessary to ensure that you adhere to the uniformity requirements and quality standards associated with all Chicken in a Barrel BBQ Restaurants We reserve the right, in our sole discretion, to designate and require you to use a single supplier or distributor for any services, products, equipment, supplies, or materials

Periodically we may establish food production and distribution facilities and we may designate them as exclusive suppliers of products, items, ingredients and/or raw materials that we may designate as proprietary

We estimate that your purchases from approved suppliers and according to our specifications will represent approximately 35% of your total purchases in establishing your Chicken in a Barrel BBQ Restaurant, and approximately 40% in the continuing operation of your Chicken in a Barrel BBQ Restaurant

Currently, there are no purchasing or distribution cooperatives serving our System

We reserve the right to collect and retain certain manufacturing allowances, marketing allowances, rebates, credits, monies, payments and benefits (collectively referred to as "Allowances") that may be offered to and/or provided to us or our affiliates by manufacturers, suppliers and distributors based upon your purchases of products and other goods and services, including items that we determine and designate as proprietary In that we have only recently commenced the offer and sale of franchises we do not yet have franchisees and have not received any Allowances

Other than as disclosed below, we do not receive Allowances from designated or approved suppliers attributable to franchisee purchases We will not provide material benefits, such as renewals or the granting of additional franchises, based upon your purchases from any proprietary items, suppliers or purchases

The officers disclosed in this Franchise Disclosure Document also are shareholders, members, equity owners and officers of our affiliates, including Chicken In A Barrel BBQ, Inc which, in many instances, will be our designated exclusive supplier and the exclusive supplier of proprietary products that you must purchase and utilize in the operation of your Chicken in a Barrel BBQ Restaurant

Proprietary Items

You must purchase all of your requirements for barbecue seasonings, barbecue rubs and barbecue sauces only from us, our affiliate, or from our designees We have the right to periodically introduce additional proprietary items Proprietary items are considered integrated components of the Chicken in a Barrel BBQ Restaurant franchise and are inextricably interrelated with the Marks and System Currently we are and our affiliate Chicken In A Barrel BBQ, Inc are the only approved suppliers of barbecue seasonings, barbecue rubs and barbecue sauces

We do not allow you to contract with any other vendor or supplier in satisfying your mandatory and ongoing purchases of proprietary products This is regardless of an alternative supplier's ability to produce proprietary products of a similar quality at a competitive price

We and our affiliate will derive revenue as a result of supplying you with proprietary products As of the date of this Disclosure Document, neither we nor our affiliate have derived any revenue from franchisee purchases of proprietary products However, in the future, we and our affiliates will be earning revenue from your purchase of proprietary purchases

We do not provide material benefits to you (including renewal rights or the right to additional franchises) based on whether you purchase through the sources we designate or approve We have no purchasing or distribution cooperatives serving our franchise System

Point of Sale and Computer System

Currently, for a Chicken in a Barrel BBQ Roadside Express you will be required to purchase one iPad and one license for Revel Systems iPad Quick Service point of sale software For a Full Service Chicken in a Barrel BBQ Restaurant you will be required to purchase three iPads and three licenses for the Revel Systems iPad Quick Service point of sale software Additionally you must purchase and maintain a computer system on-site at the location of your Chicken in a Barrel BBQ Franchise In general, you will be required to obtain a computer system that will consist of certain hardware and software items and peripheral devices (such as printers) Among other things, you will be required to meet our requirements concerning (a) back office and point of sale systems, (b) security systems, (c) printers and other peripheral devices, (d) archive and back-up systems, and (e) internet access mode (for example, broadband) and speed

Insurance

All insurance policies required under your franchise agreement must be procured from insurance companies reasonably approved by us (generally we will want your insurance company rated A-VIII or better by then current edition of Best's Insurance Report published by A M Best Co) All insurance (excluding Workers Compensation) must name us and our subsidiaries, affiliates, and employees as additional insured The insurance policies must include a provision for a 30-day notice of cancellation to us A Certificate of Insurance must be furnished to us prior to the effective date of your franchise agreement and prior to each policy renewal period The

Certificate of Insurance must show by specific reference that the items of insurance listed in the chart below have been provided for and include clauses obligating the insurer to give us at least thirty (30) days' prior written notice of cancellation or note if a material change in coverage Coverage must be at least as comprehensive as the minimum requirements set forth in the chart below and in the Franchise Agreement (See, Article "9" of the Franchise Agreement) You must consult your carrier representative to determine the level of coverage necessary for your franchised business Higher exposures may require higher limits

Insurance
Coverage against direct physical loss or damage to real and personal property, including improvements and betterments, for all-risk perils, including flood and earthquake, if the relevant property is situated in a flood or earthquake zone, equal to at least 90% of the Restaurant's full insurable value,
Comprehensive general liability insurance, written on an occurrence basis, extended to include contractual liability, products and completed operations, and personal and advertising injury, with a combined bodily injury and property damage limit of at least $1,000,000 per occurrence,
Statutory workers' compensation insurance and employers' liability insurance as required by the law of the state in which the Restaurant is located, including statutory workers' compensation limits and employers' liability limits of at least $1,000,000
Business automobile insurance with a combined single bodily injury and property damage limit of at least $1,000,000 per occurrence,
Business interruption insurance of at least $200,000,
Commercial umbrella liability insurance with total liability limit of at least $5,000,000,
Products liability insurance with a limit of at least $1,000,000, which policy must be considered primary,
Employer practices liability insurance with a limit of at least $1,000,000, and
All other insurance that we require in the Manual or that is required by law or by the lease or sublease for the Restaurant

We formulate insurance standards and specifications at our sole discretion We may periodically modify our written standards and specifications and you must comply with any modifications You must ensure that all goods and services you select will continue to conform to our standards and specifications

Approval Process foi Potential Alternate Suppliers

If you want to purchase products or services from a supplier or distributor not currently approved by us, then you must, at your sole expense, send representative samples or specifications of that supplier's goods or services and certain information about the supplier to us As a condition to our consent we must be allowed to inspect the suppliers or distributor's facilities and samples of its products We estimate that the cost to obtain and ship a sample item may range from $100 to $250 (this is just an estimate and does not include the actual cost of the sample item) You must pay us a Testing Fee in the amount of $50 per item and, if we elect, our actual costs to inspect the facilities and test the products which may include costs incurred from testing by an independent laboratory We will determine whether the specified products or services comply with our established uniformity requirements, quality standards and specifications and whether the supplier or distributor's business reputation, delivery performance, credit rating and other relevant information are satisfactory We will advise you in writing within sixty (60) days of receipt of the supplier sample or specifications, as to its determination about the supplier or distributor The approval period may vary if the product must be tested at an independent laboratory We also reserve the right, at our option, to re-inspect the facilities and products of any supplier and to revoke our consent if the supplier fails to continue to meet our criteria Our standards for supplier and distributor approval are available to franchisees upon request

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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

Table Abbreviations
"FA" – Franchise Agreement "DA"- Development Agreement

Obligation	**Article(s) in Agreement**	**Disclosure Document Item**
a Site selection and acquisition/lease	FA Articles 1, 2 A, 2 C and 3 DA Article 5 7	Items 7 and 11
b Pre-opening purchases and leases	FA Articles 3 and 8 DA N/A	Items 7 and 8
c Site development and other pre-opening requirements	FA Articles 3 and 4 DA Articles 2, 5 7 and 5 8	Items 6, 7 and 11
d Initial and ongoing training	FA Articles 4, 5 B and 8 J DA N/A	Item 11
e Opening	FA Articles 2, 3 and 4 DA Articles 4 1, 4 4, 4 5, 4 6 and 4 7	Item 11
f Fees	FA Articles 5, 10, 13, 14, 15, 16, 17 and 20 N DA Articles 4 and 5 4	Items 5, 6 and 7
g Compliance with standards and policies / manual	FA Articles 4 and 8 DA Article 6	Items 8 and 11
h Trademarks and proprietary information	Articles 6 and 12 DA N/A	Items 13 and 14
i Restrictions on products and services offered	FA Article 8 DA N/A	Items 8, 11 and 16
j Warranty and customer service requirements	FA Article 8 DA N/A	Item 16

Obligation	Article(s) in Agreement	Disclosure Document Item
k Territorial development and sales quotas	FA N/A DA Article 4	Item 12
l Ongoing product and service purchases	FA Article 8 DA N/A	Item 8
m Maintenance, appearance and remodeling requirements	FA Article 8 DA N/A	Items 7 and 17
n Insurance	FA Article 9 DA N/A	Items 7 and 8
o Advertising	FA Article 10 DA N/A	Items 6 and 11
p Indemnification	FA Article 11 DA Article 11	Item 6
q Owner's participation, management, staffing	FA Articles 4 and 8 DA Article 5 2	Items 11 and 15
r Records and reports	FA Article 13 DA N/A	Item 6
s Inspections and Audits	FA Article 14 DA N/A	Items 6 and 11
t Transfer	FA Article 15 DA Article 7	Item 17
u Renewal	FA Article 16 DA Article 3	Item 17
v Post-termination obligations	FA Article 18 DA Articles 9 and 10	Item 17
w Non-competition covenants	FA Articles 7 and 8 DA Article 10	Item 17
x Dispute resolution	FA Articles 20 F and 20 G DA N/A	Item 17

Obligation	Article(s) in Agreement	Disclosure Document Item
y Other Individual guarantee of franchisee obligations (Note 1)	FA Articles 1 and 2 D DA Articles 1 and 2 5	Item 9

Note 1 [Guarantee of Franchisee Obligations]
If you establish a corporation, limited liability company or other corporate entity for the purpose of signing the Franchise Agreement and establishing and operating, as the franchisee, your Chicken in a Barrel BBQ Restaurant then you and each individual who owns a Five (5%) Percent or greater interest in franchisee that is a corporation, limited liability company or other business entity, must sign an agreement wherein each individual individually obligates himself and/or herself to guarantee, perform and discharge all of the corporate franchisees obligations under the Franchise Agreement Further said individuals will be required to individually obligate themselves to the restrictive covenants and non-compete provisions set forth in the Franchise Agreement (Franchise Agreement Exhibits "1" and "2") Further, you and the other individuals who own a five (5%) percent or greater interest in such franchisee corporate entity shall be required to individually obligate yourselves to the restrictive covenants and non-compete provisions set forth in the Franchise Agreement (Franchise Agreement Exhibit "4") According, irrespective of any corporate entity that you may establish or designate as the franchisee, you and your spouse will be personally obligated to each and every term and provision of the Franchise Agreement Among other things, you and your spouse will be personally obligated as to the payment of financial obligations to us and you will be restricted from competing

ITEM 10
FINANCING

We do not offer direct or indirect financing We do not guarantee any note, lease or other obligation on your behalf

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

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

Assistance Before Opening
Our obligations to you prior to the opening of your Chicken in a Barrel BBQ Restaurant

(1) Grant of Franchise Granting you the right to operate a Chicken in a Barrel BBQ Restaurant (See, Franchise Agreement, Article "2 A")

(2) Operations Manual We will provide you with a copy of our Operations Manual to advise you as to our methods of operation, specifications and requirements The operations manual presently consists of 145 pages and may be amended from time-to-time The Table of Contents for the Operations Manual is attached as Exhibit "C" to this Disclosure Document The major subjects contained in the Operations Manual consist of the story behind Chicken in a Barrel BBQ, establishing your Chicken in a Barrel BBQ Restaurant, the barrel smoking process and preparing barbecue, menu items, production sources and customer service (*See*, Franchise Agreement, Article "4")

(3) Approved Suppliers and Distributors In connection with the establishment of your Chicken in a Barrel BBQ Restaurant and your continuing operations we will provide you with our then current list of approved suppliers and the specifications related to the products and services that you must utilize, including, but not limited to, your opening and on-going inventory, barbecue rubs, sauces and spices to be utilized in preparing food, smoking barrels, equipment, signs, supplies and fixtures You will purchase these items directly from our designated and approved suppliers (*See*, Franchise Agreement, Article 4 B)

(4) Site Review and Approval We will review the site(s) that you propose for the location of your Chicken in a Barrel BBQ Restaurant Although there is no specified time limit for us to review your proposed site, we will do so within a reasonably expedient time period but no later than sixty (60) days) following your submission of the applicable site selection information If you do not select and secure a location for which we issue a notice of no objection, you will be in breach of the Franchise Agreement We reserve the right to reject or disapprove you (as a franchisee) at any time within one hundred and eighty (180) days after the date of your Franchise Agreement Some of the factors that we may consider when reviewing a proposed site selected by you include population demographics, lease terms, potential traffic patterns, overall interior and exterior size and dimensions If we do not issue a notice of no objection and, therefore, we do not agree on an acceptable location that you select, you will not be permitted to terminate the Franchise Agreement nor will you be permitted to receive a refund of your Franchise Fee Our disapproval of your proposed site shall not relieve you of your obligation to timely establish and open your franchised business in accordance with the terms of the Franchise Agreement

(5) Site Specifications We will provide you with our then current prototype specifications and generalized plans for a Chicken in a Barrel BBQ Restaurant reflecting our requirements for dimensions, interior design and layout, image, building materials, furniture, fixtures, equipment, signs and decor However, at your own expense and in addition to your obligation to hire a licensed architect of your choosing you will be required to hire (at your own cost and expense) a design consultant to prepare preliminary designs that must be approved by us respecting the interior and exterior layout and design of your Chicken in a Barrel BBQ Restaurant Our determination shall govern should we disagree about a site for which we refuse to approve In such cases, if we refuse for any reason to provide you with a notice of no objection as to a site that you choose, then you will be required to find an alternative site for your Chicken in a Barrel BBQ Restaurant

(6) Initial Training No later than 90 days prior to the scheduled opening of your Chicken in a Barrel BBQ Restaurant, we will provide you (and up to two of your designated managers) with training in accordance with our initial training program Our current training program is to be attended by you and up to one manager that you designate and select at our affiliate owned Chicken in a Barrel BBQ Restaurant located in Hanalai, HI The training program takes place over a period of 14 consecutive days and you are required to complete this training (*See*, Franchise Agreement, Article 4) Both "classroom" and "on the job" training will take place at our affiliate owned Chicken in a Barrel BBQ Restaurant in Hanalai, HI Our initial training programs will be held no less frequently than on a quarterly basis

You (or you managing shareholder, member or partner) and up to one designated manager are required to complete the all phases of our training program to our satisfaction You are also required to participate in and satisfy all other training programs that we may establish respecting the operation of your Chicken in a Barrel BBQ Restaurant – however, at present, there are no additional training programs or refresher courses

Although we provide you (and up to two designated managers) with initial training at no additional fee or charge, you will be responsible for all travel, lodging, food, automobile rental expenses and employee wages that you incur in connection with your attendance and participation in our initial training program and the attendance and participation of your designated managers in our initial training program

Assistance During the Operation of Your Franchise

Our obligations to you after the opening of your Chicken in a Barrel BBQ Restaurant

(1) Advertising

Local Advertising You are not authorized to engage in any local advertising unless we pre-approve such advertising You are required to engage in local advertising and you are required to commit specific minimum amount of funds to your local marketing efforts We will review your local marketing programs and notify you if we approve same Further, we will make available to you and provide you with access to various monthly and seasonal print, direct mail and email marketing campaigns (in the form of a source document) that you may utilize In those instances where we provide you with access to our marketing campaigns we provide you with the source designs and design specifications However, you will incur the direct costs associated with utilizing such marketing campaigns and in having such campaigns printed, distributed and/or placed with media sources

Brand Development Fund We will control and administer a Brand Development fund (the "Brand Development Fund") (*See*, Franchise Agreement, Article 10 A) As disclosed in Item 6 of this Disclosure Document, you must contribute a monthly sum not to exceed one (1%) percent of monthly gross sales to the Brand Development Fund We may use the Brand Development Fund for general brand awareness, development and refinement, market studies, research, service development, product development, testing, research studies, technology development, advertising and public relations studies or services, creative production development and printing of sample advertising and marketing materials to be produced by franchisees, development of advertising copy and commercials, tracking costs, agency fees, administrative costs, which may include reimbursement for direct administrative and personnel costs associated with advertising and public relations, and any other costs associated with the development marketing and testing of advertising, marketing and public relations materials, and for the purchase of media placement, advertising time and public relations materials in national, regional or other advertising and public relations media in a manner determined by us, in our sole discretion, to be in the best interest of the franchisees and the System Our company and/or our affiliate owned Chicken in a Barrel BBQ restaurants may but are not required to contribute to the Brand Development Fund The Brand Development Fund will be required to maintain unaudited financial records detailing its expenditures and will make available to you (no more frequently than one time in any twelve month period) an unaudited accounting of how the monies contributed to the Brand Development Fund were spent each year The Brand Development Fund will not be used to directly promote your Chicken in a Barrel BBQ Franchise or the marketing area in which your Chicken in a Barrel BBQ Franchise will be located (*See*, Franchise Agreement, Article 10 A)

We may utilize the Brand Development Fund to develop and test various media and technologies for potential utilization and/or improvement of the operations of Chicken in a Barrel BBQ Franchisees and the marketing of Chicken in a Barrel BBQ Franchisees These technology developments and/or improvements may relate, among other things, to our website and to the interaction and potential enhancement of web offerings that may or may not be implemented on behalf of Chicken in a Barrel BBQ Franchisees You may or may not benefit from these technology developments and improvements

We do not have a franchisee advertising council and we have not established nor require your participation in any local or regional advertising cooperative Neither us nor our affiliates have provided services on behalf of the Brand Development Fund and we have received no compensation from the fund In the past we did not collect Brand Development Fund fees and therefore have no data to report as to how funds were spent To the extent that we collect Brand Development Fund fees and the collected funds are not all used in any particular calendar year, such funds will be carried over into a subsequent year We will not directly utilize the Brand Development Fund to directly market the sale of Chicken in a Barrel Franchises, however the advertising, marketing and brand development materials developed (including the Chicken in a Barrel website) may contain basic information as to the availability of Chicken in a Barrel franchises and contact information for franchise inquiries

(2) <u>Protection of Licensed Marks</u> We will legally protect the Licensed Marks and the goodwill of the franchise system

(3) <u>Supplement and Modify Operations Manual</u> We will furnish all supplements and modifications to the Operations Manual

(4) <u>Approved Vendors</u> We will provide the names and addresses of newly approved vendors and suppliers for the products and services required by us in connection with the operations of your Chicken in a Barrel BBQ Restaurant

(5) We will make available to you basic business and accounting procedures

(6) We may, in our sole discretion, periodically review your Chicken in a Barrel BBQ Restaurant and render written reports if deemed appropriate by us

(7) We will conduct research and development

(8) We do not provide assistance with the hiring and training of your employees You will be directly responsible for the management and supervision of your employees For the protection of the Chicken in a Barrel BBQ brand you must ensure that all employees wear and maintain the proper attire with our approved Chicken in a Barrel BBQ branded apparel and uniforms You must monitor and ensure that your employees are properly trained, adhere to the highest quality and service standards and satisfy and abide by all health and safety standards for food storage, food preparation and food service

(9) You will exclusively determine the prices and fees that you charge However we may suggest pricing levels that we recommend

<u>Computer System</u>

In connection with the day-to-day operations of your Chicken in a Barrel BBQ Restaurant you will be required to operate and maintain a point of sale system as designated in the Operations Manual For a Chicken in a Barrel BBQ Roadside Express you will be required to purchase and utilize one iPad to be configured with and utilize a license to the Revel Systems iPad Quick Service Point of Sale system For a Full Service Chicken in a Barrel BBQ Restaurant you will be required to purchase and utilize three iPads with each iPad configured with a license to the Revel Systems iPad Quick Service Point of Sale system Additionally you must purchase and maintain a computer system on-site at the location of your Chicken in a Barrel BBQ Restaurant

In general, you will be required to obtain a computer system that will consist of certain hardware and software items and peripheral devices (such as printers) Among other things, you will be required to meet our requirements concerning (a) back office and point of sale systems, (b) security systems, (c) printers and other peripheral devices, (d) archive and back-up systems, and (e) internet access mode (for example broadband) and speed

The cost of the point of sale and computer system that you will be required to purchase varies depending on the type of your Chicken in a Barrel BBQ Restaurant with your estimated costs for a computer and point of sale system being $3,000 to $3,500 for a Chicken in a Barrel BBQ Roadside Express and $4,500 to $5,500 for a Full Service Chicken in a Barrel BBQ Restaurant You are obligated to install the software upgrades and patches as provided by the manufacturer of the computer and point of sale system You are responsible for hardware repairs or replacement of systems that are no longer covered under warranty Your estimated costs for the maintenance, repair and updates for the computer and point of sale systems is 1,000 per year There are no contractual limitations on the frequency or cost of this obligation We will have access to information and data that is electronically collected

Other than ordinary equipment maintenance that may, depending on your usage, be required, there are no mandatory or optional maintenance, upgrade or support contracts required by us regarding the computer system that you utilize and the Square brand point of sale system We will possess and you will be required to provide us with independent electronic access to your computer and you Square brand point of sale system At all times we will possess direct access to all of the information stored and utilized by you in your computer and point of sale systems The information that we will have access to will include customer information, sales information, inventory information and other data related to the day-to-day operations of your Chicken in a Barrel BBQ Restaurant

Training

You (or you managing shareholder, member or partner) and up to one designated manager are required to complete the all phases of our training program to our satisfaction You are also required to participate in and satisfy all other training programs that we may establish respecting the operation of your Chicken in a Barrel BBQ Restaurant – however, at present, we do not offer or require any additional training or refresher courses (*See*, Franchise Agreement, Article 4)

Although we provide you (and up to one designated managers) with initial training at no additional fee or charge, you will be responsible for all travel, lodging, food, automobile rental expenses and employee wages that you incur in connection with your attendance and participation in our initial training program and the attendance and participation of your designated managers in our initial training program (*See*, Franchise Agreement, Article 4)

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TRAINING PROGRAM

The following chart summarizes the subjects covered in our initial training program

Subject	Classroom Training (Hours)	On the Job Training (Hours)	Location
Introduction Overview of Training Schedule, History of Chicken in a Barrel, Confidentiality, Understanding Brand Culture and Being a Franchisee in the Chicken in a Barrel System	2	0	Hanalai, HI
Marketing Developing Customers, Local Marketing and Community Relations	4	0	Hanalai, HI
Front of House Menu & Recipe Review/Assessment, Customer Service, Cashier, Expediting Orders	2	20	Hanalai, HI
Back of House Inventory Management and Product Preparation	4	40	Hanalai, HI
Safety and Security Safe Food Handling, Banking, Employee and Customer Security	2	2	Hanalai, HI
Human Resources Staffing, Hiring, Development, Management and Retention	2	2	Hanalai, HI
Operations Daily Scheduling, Opening and Closing the Restaurant	2	6	Hanalai, HI
Financial Management Daily Sales, POS, Payment Processing, Franchise Reporting	2	0	Hanalai, HI
Subtotals	20	70	
Total Hours	90		

Training will be conducted under the direction and supervision of our President Michael R Pierce at our corporate owned Chicken in a Barrel Restaurant located in Hanalai, HI and will utilize instructional materials comprised of our confidential operations manual and access to the entire facilities and equipment of our affiliate owned Chicken in a Barrel Restaurant located in Hanalai, HI Michael R Pierce is the founder of our affiliate owned Chicken in a Barrel Restaurants and since 2010 and continuing to today he has been involved in establishing, operating and managing the day-to-day operations of our affiliate's Chicken in a Barrel Restaurants In addition to the training summarized above and to occur at our affiliate location in Hawaii, we will conduct an additional 2 to 3 days of training at your Chicken in a Barrel BBQ Restaurant prior to your grand opening On site training will include review and assessment of kitchen operations, food preparation, staff training, inventory management and final plans for grand opening

We estimate that the length of time between the signing of the franchise agreement or the first payment of consideration foi your Chicken in a Barrel BBQ Franchised Business and the commencement of operations of a Chicken in a Barrel BBQ Restaurant franchise is 240 days Factors that may affect this estimated time period include your ability to (a) locate and identify a site for your Chicken in a Barrel BBQ Restaurant that meets our standards and specifications, (b) negotiate and obtain a lease agreement for your approved site, (c) obtain third-party lender financing, if necessary, (d) obtain building and constiuction permits, (d) obtain necessary licenses, and (e) complete your initial training obligations Other factors that may affect this time period include availability of equipment, delays associated with equipment installation and the construction and/or installation of your leasehold improvements and fixtures You must commence the operation of your Chicken in a Barrel BBQ Restaurant within twelve (12) months from the date of signing your Franchise Agieement You must obtain our approval to open your Chicken in a Barrel BBQ Restaurant

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ITEM 12
TERRITORY

Franchise Agreement

Under the Franchise Agreement we grant to you the right to develop and operate one Chicken in a Barrel BBQ Restaurant at a specific location selected by you, provided that we have issued a written notice of no objection You will locate and operate your Chicken in a Barrel BBQ Restaurant from a single location located within a "Protected Area" You will not have the right to develop or establish additional Chicken in a Barrel BBQ Restaurants within the Protected Area

Once you identify a site for your Chicken in a Barrel BBQ Restaurant and we issue a written notice of no objection, we will then designate an area around your site as your "Protected Area" The area that we designate as your Protected Area shall be determined by us The Protected Area will typically be a circle, the center of which will be the front door of your Chicken in a Barrel BBQ Restaurant and that circle will have a radius that is specified in your Franchise Agreement We intend to provide you with a Protected Area radius (within which your Chicken in a Barrel BBQ Restaurant will be located at the center) of not less than two and one-half (2 5) miles, except in dense urban centers, tourist areas, beach areas and recreation areas where it may be less but not less than a one-quarter (0 25) mile radius

Provided that you are not in default of your obligations to us or our affiliate(s), we will not develop and we will not grant anyone else the right to develop a Chicken in a Barrel BBQ Restaurant within your Protected Area Further, we will not, nor will an affiliate, operate a restaurant utilizing the License Marks and System within the Protected Area We retain all other rights and on any terms and conditions that we deem advisable and without giving you any consideration and may, among other things

(a) Establish, operate and/or grant to ourselves or others the right to operate a Chicken in a Barrel BBQ Restaurant and/or Chicken in a Barrel BBQ Restaurants or other restaurants that are the same as or similar to a Chicken in a Barrel BBQ Restaurant using the System and/or the Licensed Marks at locations outside the Protected Area as we deem appropriate and irrespective of the proximity to your Protected Area,

(b) Establish and license others to establish restaurants under other systems or other marks, which restaurants may offer or sell products that are the same as, similar to or different from the products offered from your Chicken in a Barrel BBQ Restaurant, and which restaurants may be located within or outside your Protected Area despite the proximity to the location of your Chicken in a Barrel BBQ Restaurant or the actual or threatened impact to sales of your Chicken in a Barrel BBQ Restaurant,

(c) Acquire the assets or ownership interests of one or more businesses that operate, or grant franchises or licenses to operate, one or more restaurants and/or competing restaurants that are the same as or similar to a Chicken in a Barrel BBQ Restaurants located or operating within or outside the Protected Area, notwithstanding the fact that such restaurants may be the same as or similar to Chicken in a Barrel BBQ Restaurants, and in the event of an acquisition, CBF or its affiliates (as applicable) shall have the right to continue to operate such restaurants and to develop additional restaurants of such concept, and to grant others the right to develop and operate restaurants of such concept both within and outside the Protected Area In such event the CBF is not required to pay any compensation for soliciting or accepting orders inside the Franchisee's Protected Area,

(d) Be acquired (regardless of the form of transaction) by a business, whether or not such business is a competitive business, even if such business operates, franchises and/or grants licenses for the operation of restaurants that are the same as or similar to a Chicken in a Barrel BBQ Restaurants within the Protected Area, and in the event of such an acquisition, the acquirer and its affiliates (as applicable) shall have the right to continue to operate such restaurants and to develop additional restaurants of such concept, and to grant others the right to develop and operate restaurants of such concept, both within and outside the Protected Area and even if such restaurants compete with your Chicken in a Barrel BBQ Restaurant

Because we reserve the above rights, we must disclose the following statement 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

If the location for your Chicken in a Barrel BBQ Restaurant is not known as of the date of this Agreement, you will not be granted a Protected Area until we issue a written notice of no objection as to the specific location selected by you Until we issue a written notice of no objection we cannot make or identify the scope or size as to any potential Protected Area that may or may not be granted to you You are cautioned and advised that should you want certainty as to your Protected Area, then you should not sign the Franchise Agreement unless and until you identify and secure a location for which CBF has or will issued a written notice of no objection For example, you may coordinate the execution of your lease with the signing of your Franchise Agreement that contains and clearly identifies your Protected Area

You may only offer and sell products from the physical location of your Chicken in a Barrel BBQ Restaurant, only according to the requirements of Operations Manual and only to (a) retail customers for consumption on the premises of your Chicken in a Barrel BBQ Restaurant or for personal carry-out consumption, (b) delivery customers, (c) catering customers, and (d) wholesale customers located within the Protected Area only Without our prior written consent you may not solicit customers or provide services, catering or product outside of the Protected Area You may not relocate your Chicken in a Barrel BBQ Restaurant without our prior written approval, which approval will typically be granted as long as the relocation occurs within your Protected Area and in our determination will not be detrimental to other franchisees or to us You will not have any options, rights of first refusal or similar rights to acquire additional franchises or other rights under the Franchise Agreement

The continuation of your Protected Area is not dependent upon the achievement of a certain sales volume, market penetration or any other contingency other than your continued compliance with and satisfaction of the terms and conditions of your Franchise Agreement The Franchise Agreement does not grant any options, rights of first refusal or similar rights to you for the acquisition of additional franchises within your Protected Area or contiguous areas You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control We possess the right to approve and grant franchise rights for other Chicken in a Barrel BBQ Restaurants to be established outside the Protected Area, even though these restaurants may compete for clients within your Protected Area

Site Selection Area

If, at the time of signing your Franchise Agreement, you do not already have a site for your Chicken in a Barrel BBQ Restaurant, you understand that we cannot consider granting you a Protected Area and you will not obtain any territory protection unless and until we issue a written notice of no objection as to a specific location selected by you However, for the limited purpose of permitting you to identify and evaluate potential sites for your Chicken in a Barrel BBQ Restaurant, during a limited ninety (90) day Site Selection Period (commencing from the date of your Franchise Agreement) we will identify a "Site Selection Area' wherein – only during the Site Selection Period - we will not grant or license any other party the right to develop or establish a Chicken in a Barrel BBQ Restaurant The Site Selection Period shall automatically expire

Your Protected Area, if any, most likely, will be much smaller than your Site Selection Area As a Franchisee – other than the limited rights during the Site Selection Period – you will possess no rights in or to the Site Selection Area If you do not acquire, lease, or sublease a site for your Chicken in a Barrel BBQ Restaurant (for which we have issued a written notice of no objection) within the Site Selection Period, you will be in default of your Franchise Agreement

Your right to relocate your Chicken in a Barrel BBQ Restaurant is not guaranteed and is at our sole discretion In evaluating your relocation request, we will evaluate your compliance with your Franchise Agreement, your prior operational history, relocation of our Franchisees, our expansion plans, demographics and other factors that, at the time of your request, are relevant to us

Development Agreement

If you enter into a Development Agreement, you will be granted the right and obligation to develop, establish and operate three (3) Chicken in a Barrel BBQ Restaurants in a specified "Exclusive Development Territory" We will identify your Exclusive Development Territory by boundary streets, highways, county lines, designated market area, or other recognizable demarcations and delineate it in an exhibit attached to the Development Agreement

CBF will not operate or grant franchises for Chicken in a Barrel BBQ Restaurants within your Exclusive Development Territory during the term of the Development Agreement You are not authorized to use the Marks or the System, or to open Chicken in a Barrel BBQ Restaurants outside of your Exclusive Territory Similarly, other franchised locations, company-owned restaurants of CBF affiliates are not restricted from accepting food and non-alcoholic beverage orders inside your Exclusive Development Territory

In total, you must develop, establish and operate three (3) Chicken in a Barrel BBQ Restaurants within your Exclusive Development Territory within a three (3) year period designated and set forth in the Development Schedule contained in your Development Agreement The continuation of your rights in and to your Exclusive Development Territory is subject to you satisfying your development obligations, including the Development Schedule, but, otherwise, is not dependent on the achievement of a certain sales volume, market penetration, or other contingency Aside from the predetermined number of Restaurants (three) to be developed, established and operated in your Exclusive Development Territory, once the Development Agreement expires, you do not have any options, right of first refusal or similar rights for the acquisition of additional franchises with the Exclusive Development Territory or contiguous areas

CBF and its affiliates may sell their proprietary or other products, including products or merchandise under the mark Chicken in a Barrel BBQ and other various iterations of the mark, through methods of distribution other than franchising to anyone anywhere Also CBF and its affiliates may acquire and operate similar or competitive restaurant concepts and businesses under different trademarks at locations anywhere (see, Item 1 for a description of competing affiliate owned or operated restaurants)

There are no restrictions on CBF from soliciting or accepting orders from consumers inside the Exclusive Territory CBF or an affiliate has used or reserves the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within the Exclusive Development Territory using CBF's trademark CBF and its affiliates have used or reserve the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales within the Exclusive Development Territory of products or services under trademarks different from the ones you will use under the franchise agreement CBF is not required to pay any compensation for soliciting or accepting orders from inside the Exclusive Territory There are no restrictions on you from soliciting or accepting orders from consumers outside of your Exclusive Territory, including whether you have the right to use other channels of distribution such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales outside of the Exclusive Territory CBF does not have plans to operate or franchise a business under a different trademark and have such business sell goods or services similar to those CBF will offer

ITEM 13
TRADEMARKS

Pursuant to the terms of the franchise agreement, you will be granted a license to utilize the "Chicken in a Barrel BBQ" trademark and those other marks identified in the chart below in connection with the operations of your Chicken in a Barrel BBQ Franchise We reserve the right to supplement and modify the Mark's that you may or may not use in connection with the operations of your Chicken in a Barrel BBQ Franchise You may only use the Marks in the manner authorized by us in writing and pursuant to the terms of the franchise agreement You may not use Marks in connection with the name of your corporation, limited liability company or other corporate entity that you may establish in connection with the operations of your Chicken in a Barrel BBQ Franchise

Principal Trademarks Registered with the United States Patent and Trademark Office

The following principal Marks are registered on the Principal Register of the United States Patent and Trademark Office As to each of these marks the appropriate affidavits have been filed with the United States Patent and Trademark Office ("USPTO")

Mark	**Serial Number for Registration Application Filed with the USPTO**	**Registration Date**
 (design only)	4153629	June 5, 2012

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark and Appeal Board, the trademark administrator in any state or any court, no pending infringement, opposition or cancellation proceedings, and no pending litigation involving the Marks

We know of no superior rights or infringing uses that could materially affect your use of the Marks or other related rights in any state

Trademarks Not Registered with the United States Patent and Trademark Office

The following trademarks are a part of our System, will be utilized by you in connection with the operations of your Chicken in a Barrel BBQ Franchise but are "not" registered with the USPTO

As to each of the trademarks identified below We do not have a federal registration for each of these principal trademarks Therefore, the trademarks identified below do not have many legal benefits and rights that are afforded to federally registered trademarks If our right to use the trademarks (identified below) is challenged, you may have to change to an alternative trademark, which may increase your expenses

Mark	Serial Number for Registration Application Filed with the USPTO	Application Date
Chicken in a Barrel (word mark only)	86792996	October 20, 2015

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark and Appeal Board, the trademark administrator in any state or any court, no pending infringement, opposition or cancellation proceedings, and no pending litigation involving the Marks

We know of no superior rights or infringing uses that could materially affect your use of the Marks or other related rights in any state

You are required to provide us with written notice as to any claims that you may become aware of respecting the Marks including, but not limited to, your use of the Marks and/or a claim associated with a third-party's use of a trademark that is identical or confusingly similar to the Marks that we have licensed to you At all times we maintain the exclusive discretion to take any and all actions (or to refrain from any action) that we believe to be appropriate in response to any infringement, challenge or claim We possess the sole right to exclusively control any and all litigation, legal proceedings, administrative proceedings and/or settlement(s) respecting any actual or alleged infringement, challenge or claim relating to any Mark You must sign all documents, instruments and agreements and undertake the actions that we, with the advice of our legal counsel, determine to be necessary or advisable respecting the protection and/or maintenance of our interests in the Marks in any legal proceeding, administrative proceeding or as may be otherwise determined by us As to the foregoing, we will reimburse you for the reasonable out-of-pocket administrative expenses that you incur and pay in complying with our written instructions

We will protect your right to use the Marks and other related rights and to protect you against claims of infringement and unfair competition related to the Marks but provided that your use of the Marks is in accordance with the Franchise Agreement and consistent with our instructions and the license granted to you We will indemnify you against and reimburse you for all damages for which you are held liable in any proceeding arising out of your use of any Mark, under and in compliance with the applicable agreement, and for all costs you reasonably incur in the defense of any claim of this type in which you are named as a party, if you have timely notified us of the claim, have given us sole control of the defense and settlement of any claim and have otherwise complied with the applicable agreement If we defend the claim, we have no obligation to indemnify or reimburse you with respect to any fees or disbursements of any attorney that you retain

If any third-party establishes, to our satisfaction and in our sole discretion that its rights to the marks are, for any legal reason, superior to any of our rights, then we will modify and/or replace the Marks and you must use the variances or other service marks, trademarks or trade names required by and as determined by us Our sole liability and obligation in such event is to reimburse you for the direct out-of-pocket costs of complying with this obligation, which you must document to our satisfaction, including, by way of example, alterations in signage and replacement of marketing materials

There are no agreements currently in effect that significantly limit our rights to use or license the use of the Marks in any manner material to you

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any patents, we have copyrighted or may copyright advertising materials and design specifications, our Operations Manual and other written materials and items We have not applied to the United States Copyright Office to register these copyrights We have not applied to the United States Patent and Trademark Office for the issuance of any patents

You must keep as confidential our Operations Manual, any supplements to the Operations Manual and any other manuals or written materials used in your Chicken in a Barrel BBQ Restaurant The Operations Manual contains information about our system, secret recipes proprietary products and, among other things, confidential methods of operation We consider the information a trade secret and extremely confidential You must use all reasonable means to keep this information confidential and prevent any unauthorized copy, duplication, record or reproduction of this information You must also require your employees to sign confidentiality agreements that will require them to keep confidential, both during and after their employment, all information designated by us as confidential

You must immediately inform us if you learn of any unauthorized use, infringement or challenge to the copyrighted materials, proprietary or confidential information, including but not limited to our Operations Manual We will take any and all action(s) (or refrain from same) that we determine, in our sole discretion, to be appropriate We may control any action we choose to bring We need not participate in your defense and/or indemnify you for damages or expenses in a proceeding involving a copyright or patent If any third-party establishes to our satisfaction, in our sole discretion, that its right to these materials are superior, then you must modify or discontinue your use of these materials in accordance with our written instructions

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

You (or your managing shareholder or partner) are not required to personally participate in the direct day-to-day management and operations of your Chicken in a Barrel BBQ Restaurant, provided that the direct day-to-day management and operation of your Chicken in a Barrel BBQ Restaurant is managed by a designated employee manager who has completed our training program Your Managers and all other employees who will have access to the Operations

Manual must each sign confidentiality agreements requiring them to keep confidential, both during and after their employment, all information designated by us as confidential and proprietary If you sign a Development Agreement you (or your managing shareholder or partner) will be required to devote your full time, attention and efforts to the development establishment and day-to-day operations of the Chicken in a Barrel BBQ Restaurants that you will be required to develop pursuant to the Development Agreement

Each individual franchisee or, if you are a partnership or corporate entity, each of your members, shareholders and/or partners, must personally guarantee all of your obligations to us under the Franchise Agreement If you are a business entity, then each principal of the franchisee business entity must personally guarantee all of franchisee's obligations to us under the Franchise Agreement You must also promise in writing that during the term of the Franchise Agreement you will not participate in any business that in any way competes with a Chicken in a Barrel BBQ Restaurant, and that for thirty-six (36) months after the expiration of termination of the Franchise Agreement, you will not participate in any business and/or restaurant (including traditional restaurants and outlets and mobile kiosks, food trucks and non-traditional outlets) that offers, sells and/or provides menu items that include barbecue and/or smoked chicken, ribs, beef and/or pork Your Managers may be required by us to sign non-competition agreements

We also require each of your owners holding a legal or beneficial ownership interests in the franchise to personally guarantee your obligations to us under the Franchise Agreement, and we may also require such person's spouse to sign the Individual Guaranty and Assumption of Obligations Agreement The current form of Individual Guaranty and Assumption of Obligations Agreement is attached as Exhibit "I" to this disclosure document All other owners must sign a nondisclosure and noncompetition agreement in form satisfactory to us, as described above

ITEM 16
RESTRICTIONS ON PRODUCTS AND SERVICES SOLD

You may only sell the products and services specified or approved by us in writing You must sell the products and services required by us We can change the products and services that you must offer There is no limitation on our right to change the products and services offered by Chicken in a Barrel BBQ Restaurants You are not limited to whom you may sell your products and services, provided you do so from the location of the Franchised Business and in compliance with the standards we have determined for the System

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

The Franchise Relationship Under a Single Unit Franchise Agreement

THE FRANCHISE RELATIONSHIP

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

	Provision	Section in Franchise Agreement	Summary
a	Length of the franchise term	Article 2 B	Ten (10) Years
b	Renewal or extension of the term	Article 16	If you are not in default of the Franchise Agreement you have an option to renew for one additional term of ten (10) years "Renewal" means the right to continue to be a part of the System as a franchisee, provided, you sign the then current Franchise Agreement and otherwise meet the conditions in the Franchise Agreement
c	Requirements for franchisee to renew or extend rights as a Chicken in a Barrel BBQ Franchisee	Article 16	You must give us 180 days prior written notice, have complied with all material terms and conditions of your current Franchise Agreement, paid all monetary obligations owed to us, agree in writing to remodel, modernize and redecorate your Chicken in a Barrel BBQ Restaurant, have the right to continue to occupy the Chicken in a Barrel BBQ Restaurant premises, you and your Managers have been retrained, you and your principals sign a general release of any claims against us, and sign our then current standard Franchise Agreement, which may contain different terms than your previous Chicken in a Barrel BBQ Franchise Agreement The then-current form of Franchise Agreement may contain terms and conditions materially different from those in your previous franchise agreement, such as different fee requirements and territorial rights

	Provision	Section in Franchise Agreement	Summary
d	Termination by franchisee	Article 17 B	If we violate any material provision of the Franchise Agreement and fails to timely cure said default
e	Termination by Franchisor without cause	N/A	Not Applicable
f	Termination by Franchisor with "cause"	Article 17 A	If you breach your Franchise Agreement
g	"Cause" defined-curable defaults	Article 17 A(3)	You will have 30 days to cure a failure to open your Chicken in a Barrel BBQ Restaurant in accordance with the terms of the applicable Franchise Agreement, fail to pay any uncontested fee to anyone, fail to conform to our System, issue any check which is dishonored, fail to pay for leasehold improvements before commencing business, lose possession of the Franchised Business premises, fail to comply with regulations of any government agency, any insurance policy is terminated you misuse the Marks or if applicable a failure to comply with the terms of your other franchise agreement(s) You have 10 days to cure a failure to pay any fees due to us or an affiliate
h	"Cause" defined-non-curable defaults	Articles 17 A(1) and 17 A(2)	You are convicted of any law affecting your Chicken in a Barrel BBQ Restaurant or a felony, you are deemed insolvent, you make an assignment for the benefit of creditors, you abandon your Chicken in a Barrel BBQ Restaurant, you refuse to allow an audit by us, you violate the Franchise Agreement on 3 or more separate occasions, or your conduct materially impairs our Marks or Business System

	Provision	Section in Franchise Agreement	Summary
i	Franchisee's obligations on termination/ nonrenewal	Article 18	You must cease representing yourself as a Chicken in a Barrel BBQ Franchisee, cease using our Marks and System, immediately pay what you owe us pursuant to the Franchise Agreement immediately return all printed materials provided to you by US, alter the appearance of your Chicken in a Barrel BBQ Restaurant, transfer your telephone directory listings to US, cease using proprietary products and our approved suppliers, and transfer your Domain Names, Websites and Search Engines to us
j	Assignment of the contract by Franchisor	Article 15 A	No restriction on our right to assign
k	"Transfer" by franchisee-definition	Articles 1 and 15 B	An assignment, sale, or gift, assignment to owned or controlled corporation, assignment if death or disability, sale of capital stock to the public, or grant of mortgage, lien, or security interest
l	Franchisor's approval of transfer by franchisee	Article 15 B	Transfers require our prior written consent, which may be granted or withheld in our discretion
m	Conditions for Franchisor's approval of transfer	Article 15 C	Provide us 30 days written notice of the transfer, pay all money owed to us, sign a joint and mutual release transferee must meet our standards and sign a transfer and assignment agreement and if required transferee signs the current form of franchise agreement, transferee and managers successfully completes training program, transferee has acquired the right to occupy the restaurant premises, transferee has acquired all valid licenses and you pay the transfer fee
n	Franchisor's right of first refusal to acquire franchisee's business	Article 15 G	We may exercise a right of first refusal within 30 days after receipt of notice from you of the prospective sale or transfer of your Chicken in a Barrel BBQ Restaurant

	Provision	Section in Franchise Agreement	Summary
o	Franchisor's option to purchase franchisee's business	Article 19	If your Franchise Agreement is terminated or expires, we have the option to purchase the assets and real estate of restaurant, however, if the restaurant premises is leased, we may use reasonable efforts to enter into a direct lease If a direct lease is not feasible than franchisee will sublease to us and we will indemnify franchisee
p	Death or disability of franchisee	Article 15 D	The executor or other personal representative or the remaining shareholders must appoint a manager within a reasonable period of time and that manager must attend training, if you are an individual, your Franchise Agreement may be transferred to your beneficiary without paying a transfer fee to us
q	Non-competition covenants during the term of the franchise	Article 7 A	You may not participate in any competing business during the term
r	Noncompetition covenants after the franchise is terminated or expires	Article 18 E	For a period of thirty-six (36) months following the expiration and/or termination (including after assignment) of your Franchise Agreement or the termination of any principal's interest in any Chicken in a Barrel BBQ Restaurant (with said restrictive covenant time period accruing when you first begin to comply with your restrictive covenant obligations and with said restrictive covenant time period being tolled during any period of noncompliance), neither you nor any of your principals shall, directly or indirectly (a) Have any interest as a disclosed or beneficial owner in any competitive business (a competitive business includes, without limitation, any business and/or restaurant (including traditional restaurants and outlets and mobile kiosks, food trucks and non-traditional outlets) that offers, sells and/or provides menu items that include barbecue and/or smoked chicken, ribs, beef and/or pork) located anywhere in the United States,

Provision		Section in Franchise Agreement	Summary
			(b) Have any interest as a disclosed or beneficial owner in any restaurant that is operating at the premises formerly occupied by your Chicken in a Barrel BBQ Restaurant, (c) Perform services as a director, officer, manager, employee, consultant, representative, agent, or otherwise for any competitive business (a competitive business includes, without limitation, any business and/or restaurant (including traditional restaurants and outlets and mobile kiosks, food trucks and non-traditional outlets) that offers, sells and/or provides menu items that include barbecue and/or smoked chicken, ribs, beef and/or pork) located anywhere in the United States, and (d) Perform services as a director, officer, manager, employee, consultant, representative, agent, or otherwise for any restaurant that is operating at the premises formerly occupied by your Chicken in a Barrel BBQ Restaurant
s	Modification of the agreement	Article 20 M	Only by written agreement between you and us
t	Integration/merger clauses	Article 20 M	Only the terms of the Chicken in a Barrel BBQ Franchise Agreement are binding (subject to state law) Any representations or promises outside of this disclosure document and the Franchise Agreement may not be enforceable
u	Dispute resolution by arbitration or mediation	N/A	Not Applicable
v	Choice of forum	Article 20 G	The Circuit Court of Hawaii, Kauai County, the United States District Court for the District of Hawaii or the Federal District Court nearest to Franchisor's headquarters at the time the action is filed

Provision	Section in Franchise Agreement	Summary
w Choice of law	Article 20 F	Hawaii law will govern (subject to applicable state law)

The Franchise Relationship Under a Development Agreement

THE FRANCHISE RELATIONSHIP

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

Provision	Article in Development Agreement	Summary
a Length of term of the Agreement	Article 3 1	Three (3) Years
b Renewal or extension of the term	Not applicable	Not applicable
c Requirements for you to renew or extend	Not Applicable	Not applicable
d Termination by franchisee	Not Applicable	Not applicable
e Termination by Franchisor without cause	Not Applicable	Not applicable
f Termination by Franchisor with "cause"	Article 8	We can terminate if you are in a material breach of the Development Agreement and other agreements, including individual franchise agreements signed by you

g	“Cause” defined-curable defaults	Article 8 4	You will have 30 days to cure a breach of the Development Agreement, except that (a) you will have only 10 days after written notice to cure a failure to pay any fees due to us or our affiliates and (b) you will not be afforded a cure period due to, among other things, your failure to meet the Development Obligations and Development Schedule contained in Article 4 4 of the Development Agreement
h	“Cause” defined-non-curable defaults	Articles 4 6 and 8 2	If you fail to develop, establish, open and operate the required number of Chicken in a Barrel BBQ Restaurants within the Exclusive Development Territory in accordance with your Development Schedule, You fail to maintain the required cumulative number of Chicken in a Barrel BBQ Restaurants open within your Exclusive Development Territory, You fail to establish, develop and open the required number of Chicken in a Barrel BBQ Restaurants within your Exclusive Development Territory, You are convicted of any felony, you are deemed insolvent, you make an assignment for the benefit of creditors, you abandon your Exclusive Territory, You violate the Development Agreement two or more times in any twelve month period, Or your conduct materially impairs our Marks or Business System, Or maintain false books, Franchise Agreement is terminated by us or wrongfully terminated by you
i	Franchisee’s obligations on termination/ nonrenewal	Article 9	You must pay what you owe us within 5 days of termination, and continue to operate your Chicken in a Barrel BBQ Restaurants in the Exclusive Development Territory There are no renewal rights respecting the Development Agreement
j	Assignment of the contract by Franchisor	Article 7 1	No restrictions on our right to assign
k	“Transfer” by franchisee-definition	Articles 7 2 and 7 3	An assignment, sale, or gift, assignment to owned or controlled corporation, assignment of death or disability, sale of capital stock to the public or grant of mortgage, lien or security interest

l	Franchisor's approval of transfer by franchisee	Article 7 4	Transfers require our prior written consent, which may be granted or withheld in our discretion
m	Conditions for Franchisor's approval of transfer	Article 7 4	You must provide us with 30 days written notice of the transfer, pay all money owed to us, sign a joint and mutual release, transferee must meet our standards and sign a transfer and assignment agreement
n	Franchisor s right of first refusal to acquire franchisee's business	Article 7 8	If you obtain a bona fide offer to purchase, we may exercise a right of first refusal within 30 days after receipt of notice from you of the prospective sale or transfer
o	Franchisor's option to purchase franchisee's business	Not applicable	Not applicable
p	Death or disability of franchisee	Article 7 3	If you are an individual, your Development Agreement may be transferred to your beneficiary without paying a transfer fee to us
q	Non-competition covenants during the term franchise	Article 10 2	You may not participate in any restaurant business that competes with any Chicken in a Barrel BBQ Restaurant
r	Non-competition covenants after the franchise is terminated or expires	Article 10 3	Except for your Chicken in a Barrel BBQ Restaurant, you may not participate in any competitive restaurant business for a period of 36 months after the termination of your Development Agreement
s	Modification of the agreement	Article 5 5, 13 8, 16 1 and 16 2	Only by written agreement between us or if governing law requires a modification We can change the form of the Franchise Agreement for future sites which will not alter your obligations under the Development Agreement
t	Integration/ merger clauses	Article 13 9	The Development Agreement is the entire agreement between us relating to the development of the Exclusive Territory
u	Dispute resolution by arbitration or mediation	Not applicable	Not applicable

v	Choice of forum	Article 13 13	The Circuit Court of Hawaii, Kauai County, the United States District Court for the District of Hawaii or the Federal District Court nearest to Franchisor's headquarters at the time the action is filed
w	Choice of law	Article 16 1	Hawaii law will govern (subject to applicable state law)

Provisions of your Franchise Agreement and Development Agreement giving us the right to terminate in the event of your bankruptcy may not be enforceable under federal bankruptcy law (11 U S Sec 101, *et Seq*)

In addition to the provisions noted in the above chart, the Franchise Agreement contains a number of provisions that may affect your legal rights, including, but not limited to, a waiver of your right to a jury trial, governing law, waiver of punitive and exemplary damages, and limitations on when legal claims may be raised by you Applicable state law may require additional disclosures related to the information contained in this Item 17 These additional disclosures, if any appear in Exhibits "H' and "E ' of this Disclosure Document

ITEM 18
PUBLIC FIGURES

We do not currently use any public figure to promote its franchise No public figure is currently involved in the management of us

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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) 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

Except as provided below, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets We also do not authorize our employees or representatives to make any such representations either orally or in writing If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Michael R Pierce, Chicken In A Barrel Franchising, LLC, (808) 826-6777, at 5015 Emmalani Dr , Princeville, HI 96722, the Federal Trade Commission, and the appropriate state regulatory agencies

The representations and statements contained below relate to the Full Service Chicken in a Barrel BBQ Restaurant located at 5-5190 Kuhio Hwy, Hanalai, HI 96714 and the Chicken in a Barrel BBQ Roadside Express located at 4-1586 Kuhio Hwy, Kapaa, HI Both of these restaurants are owned and operated by our affiliate Chicken In A Barrel BBQ, Inc During the calendar year ended December 31, 2016, our affiliate Chicken In A Barrel BBQ, Inc operated a Full Service Chicken in a Barrel BBQ Restaurant (Hanalai, HI) and a Chicken in a Barrel BBQ Roadside Express (Kapaa, HI), each of the types of Chicken in a Barrel BBQ Restaurants being franchised The Hanalai, Hawaii location is a "Full Service Chicken in a Barrel BBQ Restaurant" and has been in business since 2012 The Kapaa, Hawaii location is a "Chicken in a Barrel BBQ Roadside Express" and has been in business since 2010 The below unaudited statements represent the sales and certain costs achieved by these Chicken in a Barrel BBQ Restaurants

Definitions
(a) Company Owned Outlet – means an outlet owned either directly or indirectly by us, our affiliate or any person identified in Item 2 of this Disclosure Document, which operates a Chicken in a Barrel BBQ Restaurant A Company Owned Outlet also includes any Chicken in a Barrel BBQ Restaurant that (i) is operated as a joint venture owned in part by us, our affiliate or any person identified in Item 2 of this Disclosure Document, and (ii) is managed by us our affiliate or any person identified in Item 2 (b) Gross Sales – means the total revenue derived from a Chicken in a Barrel BBQ Restaurant less sales tax, discounts, allowances and returns

(c) Cost of Goods Sold – the food and beverage costs incurred by the Chicken in a Barrel BBQ Restaurant

(d) Gross Profit – means Gross Sales less Costs of Goods Sold Gross Profit is not Net Profit and Gross Profit cannot be used to determine whether or not a Chicken in a Barrel BBQ Restaurant generates any Net Profit nor the level and/or amount of any Net Profit

(e) Operating Expenses – means ordinary and recurring expenses incurred in connection with the operations of the Chicken in a Barrel BBQ Restaurant Operating Expenses does not include expenses and/or charges related to interest, taxes, depreciation or amortization If the reported Outlet is a Company Owned Outlet, the Operating Expenses for such Company Owned Outlet does not include other expenses that would qualify as Operating Expenses that will be incurred by your Chicken in a Barrel BBQ Restaurant These additional expenses that were not incurred by our Company Owned Outlets but that will be incurred by your Chicken in a Barrel BBQ Restaurant include, fees and expenses that will be charged to you and paid by you on a recurring basis These additional fees and expenses that were not incurred by our Company Owned Outlet but that will be incurred by you, including, among other things, royalty fees and brand development fund fees

(f) EBITDA – (earnings before interest, taxes, depreciation and amortization) means Gross Profit minus Operating Expenses

(g) Net Profit – means Gross Profit (if any) minus (i) Operating Expenses, (ii) interest, taxes, depreciation and amortization We do not offer any data or information as to Net Profit

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	Full Service Chicken in a Barrel BBQ Restaurant (Hanalai, HI)	Chicken in a Barrel BBQ Roadside Express (Kapaa, HI)
Outlet Type	Company Owned Outlet	Company Owned Outlet
Gross Sales	$982,971 64	$725,296 00
Less Costs of Goods Sold	$300,514 79	$235,234 27
Gross Profit	$682,456 85	$ 490,061 73
Less Operating Expenses		
Advertising	$ 8,587 13	$ 2,772 18
Dues & Subscriptions	$ 806 53	$ 806 53
Utilities	$ 47,463 58	$ 19,166 23
Leased Labor	$155,856 24	$139,423 32
Office	$ 930 16	$ 919 12
Professional Fees	$ 5,529 43	$ 5,529 35
Payroll Admin Fees	$ 9,987 92	$ 9,024 28
Auto	$ 298 72	$ 1,482 58
Merchant Fees	$ 19,622 63	$ 10,198 05
Bank Charges	$ 250 88	$ 97 00
Taxes-Payroll	$ 19,339 30	$ 17,633 73
Taxes-Excise	$ 40,418 91	$ 29,011 86
Insurance-Medical	$ 30,067 01	$ 29,037 06
Insurance-General	$ 588 31	$ 588 29
Insurance-Work Comp/TDI	$ 3,786 39	$ 3,387 30
Licenses & Permits	$ 306 75	$ 306 75
Repairs & Maintenance	$ 3,766 10	$ 17,727 42
Supplies	$ 1,191 13	$ 1,286 88
Net Rent-Business	$ 56,819 36	$ 50,128 31
Other	$ 1,746 99	$ 2,291 41
EBITDA	$275,092 50	$149,244 08

*NOTE Rent (Hanalai, HI) Our Hanalai, HI Chicken in a Barrel BBQ Restaurant occupies an approximate 2,000 square foot restaurant facility In 2016 we subleased a portion of this facility to an independently operated shaved ice business that occupied approximately 200 square feet In 2016 our aggregate rent payments for our Hanalai, HI location was $84,320 24 However, since we received rent from our subtenant in the amount $27,500 88 we have deducted from our aggregate rent expense rent payments that we received from our sub-tenant, i e , Aggregate rent of $84,320 24 less sublease payments that we received in the amount of $27,500 88 You must assume that you will not have a subtenant at your Chicken in a Barrell BBQ restaurant facility and that you will not benefit from any sublease

Fees and Expenses that You Will Incur But that Was Not Incurred by Our Company Owned Outlets and not reflected in the Operating Expenses Noted Above

The Hanalai and Kapaa outlets are Corporate Owned Outlets, are not franchises and therefore are not subject to some of the costs and fees listed in Item 6 of this disclosure document that your Chicken in a Barrel BBQ Restaurant will be subject to and incur Specifically, a franchisee who achieved the results listed in the table above would incur the following additional Operating Expenses payable to us

Hanalai Full Service Chicken in a Barrel BBQ Restaurant Corporate Outlet

- Royalty Fee $58,978
- Brand Fund Contribution Fee $9,830

Kapaa Chicken in a Barrel BBQ Roadside Express Corporate Outlet

- Royalty Fee $43,518
- Brand Fund Contribution Fee $7 253

NOTES REGARDING THE ABOVE FINANCIAL INFORMATION

The above statements relate to the period of January 1, 2016 through December 31, 2016 and represent the sales and expenses achieved at the referenced Company Owned Outlets The results are not audited

<u>Disclaimer</u> – These figures relate to what our reported Company Owned Outlet generated in Gross Sales, Gross Profit and EBITDA and the Operating Expenses that it incurred Your individual results may differ There is no assurance that you will sell and/or generate the levels and/or amount of Gross Sales, Gross Profit and/or EBITDA reported above nor that you will earn the levels and/or amount of Gross Sales, Gross Profit and/or EBITDA reported above There is no assurance that you will even generate a Gross Profit and as noted above you will incur additional Operating Expenses that were not incurred by our Company Owned Outlet

We do not furnish or authorize our salespersons to furnish any oral or written information concerning the actual or potential sales, costs, income or profits of a Chicken in a Barrel BBQ Restaurant (whether a Full Service Chicken in a Barrel BBQ Restaurant or a Chicken in a Barrel BBQ Roadside Express), except as stated above Actual results vary from Business to Business and we cannot estimate the results of any particular franchisee The above represents the sales achieved by the businesses owned and operated by our affiliates We are not representing that you can expect to achieve these sales in your first year of operation, or at any time during the term of your Franchise Agreement Your revenues may vary significantly depending on a number of factors, including the location of your Business and how you operate your Business

We strongly urge you to consult with your financial advisor or personal accountant concerning the financial analysis that you should make in determining whether or not to purchase a Chicken in a Barrel franchise

Written substantiation of the data used in preparing these sales figures will be made available to you upon reasonable request

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ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE NO 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2014 to 2016

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2014	0	0	0
	2015	0	0	0
	2016	0	0	0
Company Owned	2014	2	2	0
	2015	2	2	0
	2016	2	2	0
Total Outlets	2014	2	2	0
	2015	2	2	0
	2016	2	2	0

TABLE NO 2
TRANSFER OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR YEARS 2014 to 2016

State	Year	Number of Transfers
None	2014	0
	2015	0
	2016	0

TABLE NO 3
STATUS OF FRANCHISED OUTLETS
FOR YEARS 2014 to 2016

State	Year	Outlets at start of year	Outlets Opened	Terminations	Non Renewals	Reacquired by Franchisor	Ceased Operations for Other Reasons	Outlets at end of year
Totals	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0

TABLE NO 4
STATUS OF COMPANY OWNED OUTLETS
FOR YEARS 2014 to 2016

State	Year	Outlets at start of year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at end of year
Hawaii	2014	2	0	0	0	0	2
	2015	2	0	0	0	0	2
	2016	2	0	0	0	0	2
Totals	2014	2	0	0	0	0	2
	2015	2	0	0	0	0	2
	2016	2	0	0	0	0	2

TABLE NO 5
PROJECTED OPENINGS
AS OF JANUARY 1, 2017

State	Franchise Agreement Signed but Outlet Not Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company Owned Outlets in the Next Fiscal Year
California	1	0	0
Totals	0	0	0

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

There are no exhibits that will contain the Item 20 listings Exhibit "G" to this Disclosure Document does not identify any Franchisees that have left the System

ITEM 21
FINANCIAL STATEMENTS

Attached as Exhibit "D" is the audited opening balance sheet of Chicken In A Barrel Franchising, LLC as of January 22, 2016 and our audited financial statements for the 2016 fiscal year Our fiscal year ends on December 31

ITEM 22
CONTRACTS

The Chicken In A Barrel Franchising, LLC

Franchise Agreement is attached to this Disclosure Document as Exhibit "E-1"

The Protected Area Acknowledgment Agreement is attached to the Franchise Agreement as Appendix "1", the Guaranty and Assumption of Obligations Agreement is attached to the Franchise Agreement as Appendix "2' the Joinder Agreement is attached to the Franchise Agreement as Appendix "3", the Franchisee Acknowledgments and Representations Agreement is attached to the Franchise Agreement as Exhibit "A", the Confidentiality Non-Competition Agreement is attached to the Franchise Agreement as Exhibit "B", the Confidentiality

Agreement is attached to the Franchise Agreement as Exhibit "C", the Statement of Ownership Interest and Principals Acknowledgment Agreement is attached to the Franchise Agreement as Exhibit "D", the Pre-opening Documentation Acknowledgment is attached to the Franchise Agreement as Exhibit "E", the Location Acknowledgment is attached to the Franchise Agreement as Exhibit "F", the Site Selection Area Acknowledgment is attached to the Franchise Agreement as Exhibit "G", the Release is attached to the Franchise Agreement as Exhibit "H"

The Chicken In A Barrel Franchising, LLC Development Agreement is attached to this Disclosure Document as Exhibit "E-2"

Individual state law may supersede the provisions contained in youi Franchise Agreement respecting the requirement that you execute a general release as a condition to assignment, sale or transfer See, the state specific addendums contained in Exhibit "H" of this Disclosure Document and the state specific addendums attached to the Franchise Agreement and forming a part of Exhibit "E"
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ITEM 23
RECEIPTS

Two copes of a detachable receipt in Exhibit "I" are located at the very end of this Disclosure Document Please sign one copy of the receipt and return it to us at the following address

Michael R Pierce
Chicken In A Barrel Franchising, LLC
5015 Emmalani Dr , Princeville, HI 96722
(808) 826-6777

The duplicate is for your records

[THE DISCLOSURE DOCUMENT ENDS HERE]

EXHIBIT "A"
TO THE DISCLOSURE DOCUMENT

STATE ADMINISTRATORS

LIST OF STATE ADMINISTRATORS

The following is a list of state administrators responsible for registration and review of franchises for these states We may register in one or more of these states

California
California Department of Business Oversight
320 West 4th Street Suite 750
Los Angeles CA 90013

Commissioner of Business Oversight
1515 K Street Suite 200
Sacramento, CA 95814

Connecticut
Connecticut Banking Commissioner
Department of Banking
Securities & Business Investments Division
260 Constitution Plaza
Hartford CT 06103

Florida
Division of Consumer Services
Attn Business Opportunities
2005 Apalachee Parkway
Tallahassee FL 32399

Hawaii
Franchise & Securities Division
State Department of Commerce
P O Box 40
Honolulu HI 96813

Illinois
Office of the Attorney General
Franchise Bureau
500 South Second Street
Springfield IL 62706

Indiana
Indiana Secretary of State
Indiana Securities Division
Franchise Section
302 W Washington Street Room E 111
Indianapolis, IN 46204

Kentucky
Office of the Attorney General
Consumer Protection Division
Attn Business Opportunity
1024 Capital Center Drive
Frankfort KY 40601

Maine
Department of Professional and Financial Regulations
Bureau of Banking Securities Division
121 Statehouse Station
Augusta ME 04333

Maryland
Office of the Attorney General
Securities Division
200 St Paul Place
Baltimore MD 21202

Michigan
Michigan Department of the Attorney General
Consumer Protection Division
Antitrust and Franchise Unit
670 Law Building
PO Box 30213
Lansing MI 48909

Minnesota
Minnesota Department of Commerce
Registration and Licensing Division
85 7th Place East Suite 500
St Paul MN 55101

Nebraska
Nebraska Department of Banking and Finance
Commerce Court
1230 O Street Suite 400
Lincoln, NE 68509

New York
Attention Barbara Lasoff
Office of the New York State Attorney General
Investor Protection Bureau Franchise Section
120 Broadway 23rd Floor
New York NY 10271 0332
(212) 416 8236

North Carolina
Secretary of State Securities Division
300 North Salisbury Street Suite 100
Raleigh NC 27603

North Dakota
Office of Securities Commissioner
600 East Boulevard 5th Floor (Department 414)
Bismarck ND 58505

LIST OF STATE ADMINISTRATORS (Continued)

Rhode Island Department of Business Registration Division of Securities 233 Richmond Street Suite 232 Providence RI 02903 **South Carolina** Office of the Secretary of State 1205 Pendleton Street Edgar Brown Building, Suite 525 Columbia SC 29201 **South Dakota** Franchise Office Division of Securities 910 E Sioux Avenue Pierre SD 57501 **Texas** Office of the Secretary of State Statutory Document Section 1019 Brazos Street Austin TX 78701 **Utah** Utah Department of Commerce Division of Consumer Protection 160 East Three Hundred South PO Box 146704 Salt Lake City UT 84114 **Virginia** State Corporation Commission Division of Securities and Retail Franchising 1300 E Main Street 9th Floor Richmond VA 23219 **Washington** Department of Financial Institutions Securities Division PO Box 9033 Olympia WA 98507 **Wisconsin** Franchise Office Wisconsin Securities Commission PO Box 1768 Madison WI 53701	

EXHIBIT "B"
TO THE DISCLOSURE DOCUMENT

AGENTS FOR SERVICE OF PROCESS

We intend to register this Disclosure Document as a "franchise" in some or all of the following states, in accordance with the applicable state law If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agent for service of process in those states

California
Commissioner of Business Oversight
Department of Business Oversight
320 West 4th Street Suite 750
Los Angeles, CA 90013

Commissioner of Business Oversight
1515 K Street, Suite 200
Sacramento CA 95814
1 866-275-2677

Connecticut
Banking Commissioner
Department of Banking
Securities and Business Investment Division
260 Constitution Plaza
Hartford CT 06103

Hawaii
Director of Department of Commerce and Consumer Affairs
335 Merchant Street Suite 203
Honolulu HI 96813

Illinois
Illinois Attorney General
500 South Second Street
Springfield, IL 62706

Maryland
Maryland Securities Commissioner
200 St Paul Place
Baltimore MD 21202

Michigan
Michigan Department of Commerce
Corporation and Securities Bureau
6546 Mercantile Way
Lansing, MI 48910

Minnesota
Commissioner of Commerce of Minnesota
Department of Commerce
85 7th Place East Suite 500
St Paul, MN 55101

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

North Dakota
North Dakota Securities Commissioner
State Capitol
600 East Boulevard
Bismarck, ND 58505

Rhode Island
Director of Department of Business Regulation
233 Richmond Street Suite 232
Providence, RI 02903

South Dakota
Director Division of Securities
Department of Commerce and Regulation
445 East Capitol Avenue
Pierre SD 57501

Virginia
Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond VA 23219

Washington
Securities Administrator
Washington Department of Financial Institutions
150 Israel Road SW
Tumwater WA 98501

Wisconsin
Wisconsin Commissioner of Securities
345 W Washington Avenue
Madison, WI 53703

EXHIBIT "C"
TO THE DISCLOSURE DOCUMENT

TABLE OF CONTENTS TO OPERATIONS MANUAL

Chicken In A Barrel Franchising, LLC

Operations Manual Table of Contents

EXHIBIT "D"
TO THE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

EXHIBIT "E-1"
TO THE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

Chicken in a Barrel BBQ
FRANCHISE AGREEMENT

____
Franchisee

____
Date of Agreement

Chicken in a Barrel Franchise Agreement

TABLE OF CONTENTS

APPENDIX AND EXHIBITS

CHICKEN IN A BARREL BBQ FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the 'Agreement") is made and entered into this __ day of _____, 20__, by and between Chicken In A Barrel Franchising, LLC a Hawaii limited liability company with an address located at 5015 Emmalani Dr , Princeville, HI 96722, (the "Franchisor") and ____________________________ (the "Franchisee")

RECITATIONS

WHEREAS, Franchisor has developed a unique, distinctive and proprietary system (hereinafter the "System') for the establishment, development and operation of a barbecue restaurant utilizing the Licensed Marks (defined below) and that features and serves barrel smoked barbecue chicken, ribs, beef and pork, barbecue side dishes and such other proprietary products that Franchisor may specify from time to time (the 'Proprietary Products") for on-premises, carry-out and optional delivery service (the "Chicken in a Barrel BBQ Restaurants"),

WHEREAS, a Chicken in a Barrel BBQ restaurant may be established as either a Chicken in a Barrel BBQ Roadside Express or a Chicken in a Barrel BBQ Restaurant This Agreement shall specify whether or not the Chicken in a Barrel BBQ Restaurant to be developed, established and operated by Franchisee shall be a Chicken in a Barrel BBQ Roadside Express or a Chicken in a Barrel BBQ Restaurant,

WHEREAS, the system and, therefore, the Chicken in a Barrel BBQ Restaurants, feature the Licensed Marks and distinctive trade dress, service offerings, business formats, signs, equipment, layouts, operating procedures, programs, methods, procedures, designs and marketing and advertising standards (the "System"), all of which Franchisor may modify from time to time (the System is further defined below),

WHEREAS, Franchisor continues to develop, use and control the Licensed Marks in order to identify for the public the source of services and products marketed thereunder and under the System, and to represent the System s high standards of quality, service and appearance,

WHEREAS, Franchisee desires to obtain the license and right to use the System and the Licensed Marks in connection with the operation of a Chicken in a Barrel BBQ Restaurant pursuant to the terms and conditions of this Agreement, and

WHEREAS, Franchisee understands and acknowledges the importance of Franchisor's standards for quality, cleanliness, appearance, service, the Proprietary Products and the necessity of operating the business franchised hereunder in conformity with Franchisor's standards and specifications

NOW THEREFORE, the parties, in consideration of the mutual undertakings and commitments of each party set forth herein, agree as follows

ARTICLE 1
DEFINITIONS

Supplementing the terms and definitions contained in the foregoing "Recitations", for the purpose of this Agreement, the terms listed below have the following additional meanings

Accounting Period Is the period of time selected and determined by Franchisor respecting the required measurement and reporting of financial information by Franchisee The applicable measurement period shall be determined by Franchisor from time-to-time with respect to Franchisees obligation to report financial information and data to Franchisor (including Gross Sales) respecting the reporting and payment of all fees, including, but not limited to, Royalty Fee and Brand Development Fund Fees The "Accounting Period" shall be a weekly period commencing no later than the earlier of (i) Scheduled Opening Date (as set forth and identified in Article 2 A , or (ii) the Actual Opening Date of Franchisee's Chicken in a Barrel BBQ Restaurant and continuing through each and every month throughout the entire Term of this Agreement

Actual Opening Date Shall mean and refer to the earlier of the initial date upon which Franchisees Chicken in a Barrel BBQ Restaurant either (i) conducts a grand opening, and/or (ii) conducts and/or commences business

Advertising Contributions Shall refer to and mean any and all obligations of Franchisee to contribute to and/or pay fees to Franchisor or Franchisors affiliate or designees as set forth in this Agreement including, but not limited to, Brand Development Fund Fee

Brand Development Fund The term "Brand Development Fund" shall have the meaning defined and set forth in Article "10" of this Agreement Fees payable pursuant to the Brand Development Fund may be referred to as the Brand Development Fund Fee

Certified Training Restaurant A Chicken in a Barrel BBQ Restaurant that Franchisor has approved or approves from time-to-time as a training facility for Chicken in a Barrel BBQ Restaurant franchisees

Chicken in a Barrel BBQ Restaurant Means any business owned and/or operated by Franchisor, Franchisor's affiliates or a franchisee that utilizes the System and/or Licensed Marks A Chicken in a Barrel BBQ Restaurant may be either a Chicken in a Barrel BBQ Roadside Express or a Full Service Chicken in a Barrel BBQ Restaurant

Chicken in a Barrel BBQ Roadside Express A Chicken in a Barrel BBQ Roadside Express is a Chicken in a Barrel BBQ restaurant that features and serves a limited menu of our renowned barrel smoked barbecue food and side-dishes for limited seating on-premises consumption, carry-out and optional delivery A Chicken in a Barrel BBQ Roadside Express restaurant will be comprised of a restaurant facility that occupies approximately 400 to 1000 square feet and may be comprised of exclusive outdoor or no seating

Competitive Business A Competitive Business shall mean and include any restaurant business that is the same as or similar to a Chicken in a Barrel BBQ Restaurant including any business and/or restaurant (including traditional restaurants and outlets and mobile kiosks, food trucks and non-traditional outlets) that offers, sells and/or provides menu items that include barbecue and/or smoked chicken, ribs, beef and/or pork

Confidential Information Defined in Article 6 of this Agreement

Confidentiality Agreement The form of confidentiality agreement attached to this Agreement as Exhibit "C'

Confidential and Non-Competition Agreement The form of confidentiality and non-competition agreement attached to this Agreement as Exhibit "B"

Controlling Interest A "Controlling Interest" shall exist for the following individuals, partners and/or entities

(1) If Franchisee is a corporation, a controlling interest shall exist for such members of the voting shares of Franchisee as (a) shall permit voting control of Franchisee on any issue and (b) shall prevent any other person, group, combination or entity from blocking voting control on any issue or exercising any veto power,

(2) If Franchisee is a general partnership, a controlling interest shall exist for such partners that possess a managing partnership interest or such percentage of the general partnership interests in Franchisee as (a) shall permit determination of the outcome on any issue and (b) shall prevent any other person, group, combination, or entity from blocking voting control on any issue or exercising any veto power,

(3) If Franchisee is a limited partnership, a controlling interest shall exist for such partners that possess a general partnership interest,

(4) If Franchisee is a limited liability company, a controlling interest shall exist for such members that possess a percentage of the membership interests as (a) shall permit determination of the outcome on any issue and (b) shall prevent any other person, group, combination or entity from blocking voting control on any issue or exercising any veto power

Due Date The term "Due Date" shall have the meaning defined and set forth in Article 5 D of this Agreement The term "Due Date ' shall not be limited to the Continuing Royalty Fee

Franchise Acknowledgments and Representations Statement The term "Franchise Acknowledgments and Representations Statement refers to form of franchisee acknowledgements and representations statement attached as Exhibit "A' to this Agreement

<u>Franchised Location</u> The term 'Franchised Location" means the location and site selected by Franchisee – for which Franchisor has issued a written notice of no objection - respecting Franchisee's establishment and operation of Franchisee's Chicken in a Barrel BBQ Restaurant The term "Franchised Location" shall have the same meaning as the term "Franchisee's Restaurant Location" The Franchised Location must be located within the Protected Area, if any

<u>Franchisee's Restaurant Location</u> Franchisee's Restaurant Location shall have the same meaning as the "Franchised Location"

<u>Franchisee's Store</u> Shall have the same meaning as "Franchisee's Chicken in a Barrel BBQ Restaurant

<u>Franchisee's Chicken in a Barrel BBQ Restaurant</u> Means the Chicken in a Barrel BBQ Restaurant that Franchisee will own and operate at Franchisee's Restaurant Location / Franchised Location pursuant and subject to the terms and conditions of this Agreement The type of Chicken in a Barrel BBQ Restaurant (whether Chicken in a Barrel BBQ Roadside Express or a Full Service Chicken in a Barrel BBQ Restaurant) to be developed, established and operated by Franchisee pursuant to the terms of this Agreement is specified in Article 2 A

<u>Full Service Chicken in a Barrel BBQ Restaurant</u> A Full Service Chicken in a Barrel BBQ Restaurant is a Chicken in a Barrel BBQ Restaurant that features and serves a full menu of our renowned barrel smoked barbecue food and side-dishes and other prepared food and side-dishes for on-premises consumption, carry-out and optional delivery A Full Service Chicken in a Barrel BBQ Restaurant will be comprised of a restaurant facility that occupies approximately 3,000 to 4,000 square feet and may be comprised of a combination of indoor and outdoor seating

<u>GAAP</u> Generally accepted accounting principles

<u>Gross Sales</u> The term "Gross Sales" means the total dollar sales from all customers of Franchisee's Chicken in a Barrel BBQ Restaurant and further includes the total gross amount of revenues and sales from whatever source derived, whether in form of cash, credit, agreements to pay or other consideration including the actual retail value of any goods or services traded, borrowed, or received by Franchisee in exchange for any form of non-money consideration (whether or not payment is received at the time of the sale or any amount is proved uncollectible), from or derived by you or any other person from business conducted or which started in, on, from or through the premises of the Franchised Business whether this business is conducted in compliance with or in violation of the terms of the Franchise Agreement Gross Sales includes payments received from Franchisee's employees for products or services purchased at a discounted price Gross Sales do not include sales or use taxes collected by you

<u>Guaranty</u> The form of Guaranty and Assumption of Franchisee's Obligations agreement attached to this Agreement as Appendix "2"

Immediate Family The spouse of a person and any other member of the household of such person, including, without limitation, children of such person

Joinder The form of Joinder attached to this Agreement as Appendix 3

Licensed Marks The trademarks, service marks, emblems and indicia of origin, including the "Chicken in a Barrel BBQ" trademark, Trade Dress (defined below), and other trade names, service marks, trademarks, logos and designs authorized by Franchisor in connection with the identification of Chicken in a Barrel BBQ Restaurants and the services and/or products offered by Chicken in a Barrel BBQ Restaurants, provided that such trade names trademarks, service marks, logos and designs are subject to modification and discontinuance by Franchisor and at Franchisor's sole discretion

Managers Shall include the Managing Principals and/or any employee managers of Franchisee's Chicken in a Barrel BBQ Restaurant that have, to the satisfaction of Franchisor, completed Franchisor's Managers Training Program

Managers Training Program Defined in Article "4 A" of this Agreement

Managing Principal If Franchisee is a partnership, corporation or limited liability company, the Managing Principal shall be the owner responsible for the management of Franchisee's affairs Said individual must possess and maintain an ownership and/or equity interest in Franchisee such that said individual must own, hold and control no less than Twenty Five (25%) Percent of the equity and ownership interests in Franchisee and Franchisee's Chicken in a Barrel BBQ Restaurant The Managing Principal is not required to supervise and manage the day-to-day operations of Franchisee's Chicken in a Barrel BBQ Restaurants provided that, at all times, Franchisee's Chicken in a Barrel BBQ Restaurant is managed by a Manager who, to the satisfaction of Franchisor, completed Franchisor's Managers Training Program

Noncompliance Fee A fee payable by Franchisee in an amount equal to the amount of costs and expenses that Franchisor incurs respecting the enforcement of Franchisor's rights under this Agreement in response to a default by Franchisee Said costs and expenses shall include any and all reasonable administrative fees, legal fees, expert fees, accounting fees and filing fees Recoverable legal fees shall include both outside legal counsel and Franchisor's in-house legal staff

Operations Manual The confidential manual relating to the development and operation of Chicken in a Barrel BBQ Restaurants and policies and procedures, which may consist of one of more volumes, handbooks, manuals, written materials, video or tapes, computer disks, webinars and other materials and intangibles, as may be modified, added to, replaced or supplemented by Franchisor from time to time in its sole discretion, whether by way of supplements, replacement pages, franchise bulletins, or other official pronouncements or means Subject to Franchisor's modification from time to time, at Franchisor's sole discretion, the Operations Manual shall, among other things, designate the authorized services and products that must be offered and/or sold from Franchisee's Chicken in a Barrel BBQ Restaurant Only those services and products authorized by Franchisor may be offered and/or sold from Franchisee's Chicken in a Barrel BBQ Restaurant

Principal The term "Principal" includes, collectively, individually and jointly (a) the officers and directors of Franchisee (including the officers and directors of any general partner of Franchisee) who hold an ownership interest in Franchisee, (b) the managing member or manager if Franchisee is a limited liability company, (c) all holders of an ownership interest, directly or indirectly, of five percent (5%) or more in Franchisee and of any entity directly or indirectly controlling Franchisee, and (d) the Managing Principal(s) Franchisee's initial Principals are identified and listed in Exhibit D to this Agreement

Proprietary Products The term "Proprietary Products" shall refer to and mean all items, ingredients, raw materials, finished products and partially prepared products specified by Franchisor with regard to the preparation and/or sale of certain food products associated with Franchisee's Chicken in a Barrel BBQ Restaurant, including barbecue seasonings, barbecue rubs, barbecue sauces, smoking equipment and smoking barrels and such other products that Franchisor may specify from time to time for on-premises, carry-out and optional delivery service Proprietary Products shall further include uniforms and equipment designated by Franchisor and all products using and/or displaying the Licensed Marks

Protected Area The term "Protected Area" means the territory identified in Appendix "1" to this Agreement

Restaurants The un-capitalized term ' restaurant(s)", shall refer to and mean any restaurant that is the same as or similar to a Chicken in a Barrel BBQ Restaurant

Royalty Fee Defined in Article 5 D of this Agreement

Royalty Rate Defined in Article 5 D of this Agreement

Royalty Report Defined in Article 5 E of this Agreement

Scheduled Opening Date Is and shall be the date that occurs on the twelve (12) month anniversary of the Effective Date of this Agreement

Site Selection Area Means the geographic area referred to in Article "2 A" of this Agreement and, if applicable, identified and/or describe in Exhibit "G" to this Agreement

Site Selection Period Means the continuous period of time automatically commencing as of the date of this Agreement and automatically expiring at the earlier of (a) the expiration of ninety (90) days following the date of this Agreement, or (b) the date of Franchisor's execution of the Franchisee Restaurant Location Acknowledgment (Exhibit "F" to this Agreement)

System Means the distinctive programs, services and products that are presently, or in the future, associated with the Chicken in a Barrel BBQ Restaurants and/or Franchisor's trademarks, trade names, service marks, copyrights, services, testing procedures, distinctive interior and exterior building designs, decor, furnishings, uniforms, slogans, signs, logos, commercial symbols and color combinations "System" further includes the Licensed Marks, Proprietary Products, recipes, raw materials, ingredients required for production of the Proprietary Products, uniformity requirements, standards of consistency and quality procedures, specifications, training, advertising and instructions promulgated by Franchisor or its affiliates

Term Means the continuous period of time set forth and defined in Article "2 B" of this Agreement

Trade Dress The term "Trade Dress" refers to and means the Chicken in a Barrel BBQ Restaurant designs, decor and images and packaging and/or branding images which Franchisor authorizes and requires Franchisee to use in connection with the operation of Chicken in a Barrel BBQ Restaurant and as may be revised and further developed by Franchisor from time to time

Transfer As used in this Agreement, the term "Transfer" shall include, without limitation, the following, whether voluntary or involuntary, conditional, direct or indirect

(1) an assignment, sale, gift, pledge or subfranchise,

(2) the grant of a mortgage, charge, lien or security interest, including, without limitation, the grant of a collateral assignment,

(3) a merger, consolidation, exchange of shares or other ownership interests, issuance of additional ownership interests or securities representing or potentially representing ownership interests, or redemption of ownership interests, and

(4) a sale or exchange of voting interests or securities convertible to voting interests, or an agreement granting the right to exercise or control the exercise of the voting rights of any holder of ownership interests or to control the operations or affairs of Franchisee Notwithstanding the foregoing, the following transactions shall not be deemed a Transfer for the purposes of this Agreement

(i) A transfer of an interest in Franchisee that does not, individually, or when taken together with all prior transfers of ownership interests in Franchisee, result in a transfer of a **Controlling Interest** in Franchisee,

(ii) Transfers of ownership interests in Franchisee among individuals who are owners of Franchisee at the time the parties first execute this Agreement,

(iii) Transfers of limited partnership interests in Franchisee, and

(iv) A Transfer to a trust for the benefit of a **Principal** or a Principal's spouse, living child or children, or grandchildren

Web Based Media As used in this Agreement the term "Web Based Media' means any interactive or static electronic document, application or media that (a) is connected to and/or in a network of computers, servers and/or other devices linked by communications software, part of the world wide web (including, but not limited to websites), linked by the internet and/or part of a web based application, software application, smart phone based application or social media platform including, but not limited to, social media platforms and applications such as Facebook, LinkedIn and Twitter, and (b) refers, references, identifies, reviews, promotes and/or relates, in any way, to, Chicken in a Barrel BBQ, Chicken in a Barrel BBQ Restaurants, Franchisee's Chicken in a Barrel BBQ Restaurant, the Licensed Marks, the System and/or the Franchisor

ARTICLE 2
GRANT OF FRANCHISE

2 A GRANT OF FRANCHISE

Franchisee has requested that Franchisor grant to Franchisee the nonexclusive license and right to develop, own and operate a Chicken in a Barrel BBQ Restaurant Franchisee's request has been approved by Franchisor in reliance upon all of the representations made by Franchisee and its owners in any submitted application and/or during the application process, including, without limitation, the Franchise Acknowledgments and Representations Statement that shall be executed by Franchisee concurrently with this Agreement

Subject to the terms and conditions of this Agreement, during the Term of this Agreement, Franchisor grants to Franchisee the non-exclusive license and right to operate one (1) Chicken in a Barrel BBQ Restaurant to be established as a

THE TYPE OF Chicken in a Barrel BBQ RESTAURANT TO WHICH THE GRANT OF FRANCHISE APPLIES IS TO A [INSERT TYPE OF Chicken in a Barrel BBQ RESTAURANT] ____________________________________ Specify Type of Chicken in a Barrel BBQ Restaurant Chicken in a Barrel BBQ Roadside Express or Full Service Chicken in a Barrel BBQ Restaurant

in conformity with the System using the Licensed Marks at the single Franchisee Restaurant Location which is (or will be prior to the Actual Opening Date) designated and identified in this Article "2 A" or pursuant to this Article "2 A"

The grant of the foregoing license to use the Licensed Marks and the System is subject to the rights of any prior user and is limited to the Franchisee's Restaurant Location Franchisee hereby acknowledges and agrees that Franchisee's Restaurant Location is identified as follows

FRANCHISEE'S RESTAURANT LOCATION / FRANCHISED LOCATION [IF LEFT BLANK EXHIBIT ' F , 'FRANCHISEE S RESTAURANT LOCATION ACKNOWLEDGMENT' , IS TO BE EXECUTED AT FUTURE DATE IN ACCORDANCE WITH THE TERMS OF THIS AGREEMENT]

If Franchisee's Restaurant Location is not known as of the date of this Agreement, Franchisee shall lease or acquire a location, subject to the terms and conditions of this Agreement and subject to Franchisor s no objection acknowledgment executed by Franchisor in the form of the "Franchisee Restaurant Location Acknowledgment" attached hereto as Exhibit F Further, if Franchisee's Restaurant Location is not known as of the date of this Agreement, During the limited Site Selection Period, Franchisor will not license others to operate a franchised Chicken in a Barrel BBQ Restaurant within the Site Selection Area identified in the "Site Selection Area Acknowledgment" attached hereto as Exhibit "G ' Franchisee further acknowledges and agrees that other franchisees may be seeking sites within the Site Selection Area for the purpose of establishing and operating a Chicken in a Barrel BBQ Restaurant and that time is of the essence in securing an appropriate location Franchisee further acknowledge and agrees that Franchisee's failure to secure a Franchisee Restaurant Location within the Site Selection Period shall constitute a default of this Agreement

Franchisee does hereby further acknowledge and agree that notwithstanding anything contained in this Agreement to the contrary that Franchisee that in connection with the rights and obligations granted in this Agreement that as to Franchisee's Chicken in a Barrel BBQ Restaurant that Franchisee may only offer and sell products from the physical location of Franchisee's Chicken in a Barrel BBQ Restaurant in accordance with the requirements set forth in the Operations Manual and only to (a) retail customers for consumption on the premises of Franchisee's Chicken in a Barrel BBQ Restaurant or for personal carry-out consumption, (b) delivery customers, and (c) catering located within the Protected Area only Without Franchisor's prior written consent Franchisee may not solicit customers or provide services, catering or product outside of the Protected Area

2 B TERM

This Agreement shall take effect upon the date of execution by all of the parties to this Agreement and unless otherwise terminated pursuant to Article 17 hereof or elsewhere in this Agreement shall continue for a period of ten (10) years Without limitation to the foregoing and for the purpose of evaluating and identifying the commencement and expiration of certain obligations and/or rights set forth in this Agreement, the Term of this Agreement shall

(a) Commence on the earlier of (i) the Actual Opening Date, or (ii) the Scheduled Opening Date and,

(b) Extend to but automatically expire on the earlier of (i) the Tenth (10^{th}) anniversary of the Actual Opening Date, or (ii) the Tenth (10^{th}) anniversary of the Scheduled Opening Date

2 C PROTECTED AREA

Except as provided in this Agreement (including, but not limited to Article 2 F, below) and subject to Franchisee s compliance with the terms and conditions of this Agreement, Franchisor shall not establish nor authorize any person or entity other than Franchisee to establish a Chicken in a Barrel BBQ Restaurant in the Protected Area during the Term of this Agreement

If Franchisee's Restaurant Location is not known as of the date of this Agreement, Franchisee expressly acknowledges and agrees that Franchisor cannot consider issuing or granting Franchisee a Protected Area until Franchisor issues a written notice of no objection as to the specific location selected by Franchisee Once Franchisee identifies a site for Franchisee s Chicken in a Barrel BBQ Restaurant and provided that Franchisor has issued a written notice of no objection, then Franchisor, in Franchisor's sole discretion shall designate an area around Franchisee's Chicken in a Barrel BBQ Restaurant as the "Protected Area" Franchisee acknowledges that Franchisor makes no particular representations as to scope or size as to any potential Protected Area that may be granted except that Franchisee's designated Protected Area shall be determined exclusively by Franchisor and that the Protected Area will be measured as and comprised of a circle (as determined by Franchisor in Franchisor's sole discretion), the center of which will be the front door of Franchisee's Chicken in a Barrel BBQ Restaurant (provided that Franchisor issued a notice of no objection for such location) and that circle will have a geographic radius of not less than two and one-half (2 5) miles, except in dense urban geographic areas and centers, tourist areas, beach areas and recreation areas (as such density, geographic areas and/or area characteristics are exclusively determined by Franchisor in Franchisor's sole discretion and judgment) where the geographic radius for calculation of the Protected Area may (in Franchisor's sole and exclusive discretion) be much less than a two and one-half (2 5) mile radius but not less than a one-quarter (0 25) mile radius

Franchisee further represents that should Franchisee want certainty as to Franchisee's Protected Area, that Franchisee should not sign this Agreement unless and until Franchisee identifies and secures a location for which Franchisor has or will issue a written notice of no objection

2 D PRINCIPAL'S GUARANTY, JOINDER, CONFIDENTIALITY AND NON-COMPETITION

If Franchisee is at any time a corporation, limited liability company, partnership or other legal business entity, Franchisee agrees that each Principal will jointly and severally guarantee Franchisee's performance of all of Franchisee's obligations, covenants and agreements in this Agreement by executing the form of Guaranty Each Principal will also agree to be bound by the provisions of this Agreement applicable to Principals by executing the form of Joinder Each Principal shall be further obligated to, individually, jointly and severally, execute and be bound by the Confidentiality Non-Competition Agreement attached to this Agreement as Exhibit B and the Confidentiality Agreement attached to this Agreement as Exhibit C

2 E RESERVATION OF RIGHTS

(1) Franchisor (on behalf of itself and its affiliates) retains all rights, in Franchisor's sole discretion, and without granting any rights to Franchisee to

(a) Establish, operate and/or grant to Franchisor, Franchisor's affiliates or others the right to operate a Chicken in a Barrel BBQ Restaurant and/or Chicken in a Barrel BBQ Restaurants or other restaurants that are the same or similar to a Chicken in a Barrel BBQ Restaurant using the System and/or the Licensed Marks at locations outside the Protected Area as we deem appropriate and irrespective of the proximity to your Protected Area

(b) Establish and license others to establish restaurants under other systems or other marks, which restaurants may offer or sell products that are the same as, similar to or different from the products offered from your Chicken in a Barrel BBQ Restaurant, and which restaurants may be located within or outside your Protected Area despite the proximity to the location of your Chicken in a Barrel BBQ Restaurant or the actual or threatened impact to sales of your Chicken in a Barrel BBQ Restaurant,

(c) Acquire the assets or ownership interests of one or more businesses that operate, or grant franchises or licenses to operate, one or more restaurants and/or competing restaurants that are the same as or similar to a Chicken in a Barrel BBQ Restaurant located or operating within or outside the Protected Area, notwithstanding the fact that such restaurants may be the same as or similar to Chicken in a Barrel BBQ Restaurants, and in the event of an acquisition, Franchisor or its affiliates (as applicable) shall have the right to continue to operate such restaurants and to develop additional restaurants of such concept, and to grant others the right to develop and operate restaurants of such concept both within and outside the Protected Area In such event the Franchisor is not required to pay any compensation for soliciting or accepting orders inside the Franchisee's Protected Area,

(d) Be acquired (regardless of the form of transaction) by a business, whether or not such business is a competitive business, even if such business operates, franchises and/or grants licenses for the operation of restaurants that are the same as or similar to a Chicken in a Barrel BBQ Restaurant within the Protected Area, and in the event of such an acquisition, the acquirer and its affiliates (as applicable) shall have the right to continue to operate such restaurants and to develop additional restaurants of such concept, and to grant others the right to develop and operate restaurants of such concept, both within and outside the Protected Area and even if such restaurants compete with your Chicken in a Barrel BBQ Restaurant

(2) Without limitation to the foregoing, Franchisor (on behalf of Franchisor and its affiliates) retains all rights, in Franchisor's sole discretion, and without granting any rights to Franchisee to

(a) Acquire the assets or ownership interests of one or more businesses that operate, or grant franchises or licenses to operate, one or more restaurants located or operating within or outside the Protected Area, notwithstanding the fact that such restaurants may be the same as or similar to Chicken in a Barrel BBQ Restaurants, and in the event of an acquisition, Franchisor or its affiliates (as applicable) shall have the right to continue to operate such restaurants and to develop additional restaurants of such concept, and to grant others the right to develop and operate restaurants of such concept both within and outside the Protected Area

(b) Be acquired (regardless of the form of transaction) by a business, whether or not such business is a Competitive Business, even if such business operates, franchises and/or grants licenses for the operation of restaurants which may be the same as or similar to Chicken in a Barrel BBQ Restaurants within the Protected Area, and in the event of such an acquisition, the acquirer and its affiliates (as applicable) shall have the right to continue to operate such restaurants and to develop additional restaurants of such concept, and to grant others the right to develop and operate restaurants of such concept, both within and outside the Protected Area and even if such restaurants compete with Franchisee's Chicken in a Barrel BBQ Restaurant

ARTICLE 3
FRANCHISEE DEVELOPMENT AND OPENING OF RESTAURANT

3 A DEVELOPMENT OF RESTAURANT

Franchisee will be solely responsible for selecting the site of the Franchisee's Chicken in a Barrel BBQ Restaurant Franchisee will not lease, purchase or otherwise acquire a site for Franchisee's Chicken in a Barrel BBQ Restaurant until such information as Franchisor may require regarding the proposed site has been provided to Franchisor by Franchisee and Franchisor has issued a notice of no objection for the proposed site within a reasonably expedient time period, but not exceeding sixty (60) days following Franchisor's receipt of complete information about the proposed site, Franchisor shall notify Franchisee as to Franchisor's issuance of notice of no objection The review of the site conducted by Franchisor will not be deemed to be a warranty, representation or guaranty by Franchisor that if Franchisee s Chicken in a Barrel BBQ Restaurant is opened and operated at that site, it will be a financial success No provision of this Agreement will be construed or interpreted to impose any obligation on Franchisor to locate a site for Franchisee's Chicken in a Barrel BBQ Restaurant, to assist the Franchisee in the selection of a suitable site for Franchisee's Chicken in a Barrel BBQ Restaurant, or to provide any assistance to the Franchisee in the purchase or lease of a location for Franchisee's Chicken in a Barrel BBQ Restaurant

Franchisor will furnish Franchisee its then-current preliminary plans and specifications for a Chicken in a Barrel BBQ Restaurant, reflecting Franchisor's general requirements for dimensions, interior design and layout,, image, building materials, fixtures, equipment, furniture, signs and decor Franchisee, at its own expense, must construct Franchisee's Chicken in a Barrel BBQ Restaurant in compliance with the prototype plans and specifications Notwithstanding the foregoing Franchisee does hereby acknowledge and agree that in many respects a key feature to the System will reflect that fact that every Chicken in a Barrel BBQ Restaurant is different That is, the decor design and construction of Franchisee's Chicken in a Barrel BBQ Restaurant must be consistent with the local community in which Franchisee will be locating Franchisee's Chicken in a Barrel BBQ Restaurant Franchisee further acknowledges and agrees that in addition to hiring (at Franchisee's own expense) a local licensed architect, Franchisee must and shall be required to (at Franchisee's own expense) to hire and utilize the design services of a design consultants designated by Franchisor respecting the layout and design of Franchisees Chicken in a Barrel BBQ Restaurant Franchisee shall then provide these design specifications to Franchisee's licensed architect

Promptly after signing a lease or closing on a purchase of the premises of Franchisee's Chicken in a Barrel BBQ Restaurant and being furnished with the prototype plans and specifications, Franchisee will do or cause to be done the following

(1) Prepare and submit to Franchisor for approval, which shall not be unreasonably withheld, any proposed modifications to Franchisor's prototype plans and specifications and/or the plans and specifications prepared by the design consultants designated by Franchisor and hired by Franchisee, which may be modified only to the extent necessary to comply with applicable ordinances, building codes, permit requirements and lease or deed requirements and restrictions, all modifications being subject to prior notifications to, and approval by, Franchisor, provided that if Franchisor determines, in its sole discretion, that any plans are not consistent with Franchisor's prototype plans and specifications, Franchisor may prohibit implementation of the plans

(2) Obtain all required building, utility, sign, health, sanitation, liquor, and business permits and licenses, and any other required permits and licenses

(3) Construct all required improvements to the premises, purchase and install all required fixtures and equipment and decorate the premises in compliance with the plans and specifications approved in writing by Franchisor and all applicable ordinances, building codes, permit requirements and lease or deed requirements and restrictions

(4) Provide Franchisor timely written reports regarding the process of construction and remodeling in compliance with Franchisor's then-current specifications

(5) Establish filing, accounting, and inventory control systems, conforming to the requirements prescribed by Franchisor, if any

Franchisor shall notify Franchisee within thirty (30) days from the date Franchisee delivers its plans to Franchisor as to whether Franchisor approves or objects to Franchisee's plans If Franchisor fails to notify Franchisee of Franchisor's approval or objection to the plans within said thirty (30) days, then Franchisor shall be deemed to have approved of the plans If Franchisor objects to Franchisee's plans, then Franchisee must modify the plans to address the objections and resubmit the revised plans to Franchisor for approval Franchisor must approve or reject the revised plans within fifteen (15) days of receipt of revised plans Franchisee is solely responsible for the accuracy of the plans and the integrity of the construction of Franchisee's Chicken in a Barrel BBQ

<u>3 B FIXTURES, EQUIPMENT, FURNITURE AND SIGNS</u>

Franchisee agrees to use in the construction and operation of the Store only those types of construction and decorating materials, fixtures equipment, furniture, and signs that Franchisor has approved or designated in the Operations Manual for Chicken in a Barrel BBQ Restaurants as meeting its specifications and standards for appearance, function and performance Franchisee may purchase approved or designated types of construction and decorating materials, fixtures, equipment, furniture and signs from any supplier approved or designated by Franchisor (which may include Franchisor and/or its affiliates)

3 C RESTAURANT OPENING

Franchisee shall not open Franchisee's Chicken in a Barrel BBQ Restaurant for business without Franchisor's prior approval and compliance by Franchisee with the requirements of this Agreement and the opening criteria established in the Operations Manual Prior to the opening of Franchisee's Chicken in a Barrel BBQ Restaurant, Franchisee shall provide Franchisor with the documents listed on Exhibit "E" of this Agreement by the time specified therein Franchisee agrees to complete the development of Franchisee's Store and to open Franchisee's Chicken in a Barrel BBQ Restaurant for business within twelve (12) months from the date of this Agreement Without limitation to the foregoing, Franchisee expressly acknowledges and agrees that Franchisee's failure to establish and open Franchisee's Chicken in a Barrel BBQ Restaurant (in accordance with the terms of this Franchise Agreement) on or before the Scheduled Opening Date, shall constitute a material breach of this agreement

3 D CONVERSION

If Franchisee cannot follow the prototype plans and specifications furnished by Franchisor and/or developed by the design consultant designated by Franchisor for conversion of an existing building or facility to a Chicken in a Barrel BBQ Restaurant, Franchisee shall submit to Franchisor for approval proposed plans In reviewing such plans Franchisor will take into account the degree to which the proposed plans deviate from Franchisor's prototype plans

3 E RELOCATION OF RESTAURANT

Franchisee's relocation of Franchisee's Chicken in a Barrel BBQ Restaurant from Franchisees originally approved franchised location – the Franchised Location - is contingent upon and subject to Franchisors written approval which may be withheld by Franchisor, in Franchisor's sole discretion The failure of the Franchisee to obtain the written approval of Franchisor prior to the relocation of Franchisee's Chicken in a Barrel BBQ Restaurant from the Franchised Location or the failure to have the new location open for business within one hundred and twenty (120) days after Franchisee's original Franchised Location is closed will be a material breach of this Agreement Franchisee expressly understands and acknowledges that under no circumstance shall Franchisor's consent to relocation alter or expand Franchisee's Protected Area Relocation – if permitted and approved by Franchisor – must be within the Protected Area Franchisor, in Franchisor's sole discretion may withhold Franchisor's approval as to any relocation request by Franchisee

ARTICLE 4
TRAINING AND OPERATING ASSISTANCE

4 A INITIAL MANAGER TRAINING

(1) Franchisor will provide Franchisee, with a managers training program as to the operations of a Chicken in a Barrel BBQ Restaurant ("Managers Training Program") Franchisee acknowledges and understands that the Managing Principal and other supervisory personnel are required to participate in, attend and complete the Managers Training Program no later than 90 days prior to the earlier of the Scheduled Opening Date or the Actual Opening Date of Franchisee's Chicken in a Barrel BBQ Restaurant The Managers, and other supervisory personnel, must attend and successfully complete the Managers Training Program required by Franchisor before the opening of Franchisee's Chicken in a Barrel BBQ Restaurant Franchisee shall be responsible for the initial and ongoing training of its other employees The training will include classroom and on-the-job instruction

The Managers Training Program shall be structured, configured and established by Franchisor from time-to-time The Managers Training Program may be structured so that it is offered and completed by Franchisee (and Franchisee's Managers) in various phases that may require participation in interactive webinar sessions and on-site training at the Certified Training Restaurant designated by the Franchisor If the Franchisee is an individual who is going to be a part of the management team, then the Franchisee must also attend the Managers Training Program

All Franchisee's, supervisors and management personnel, must successfully complete the appropriate Franchisor training program, and must be certified in writing by Franchisor prior to commencing pre-opening operations Pre-opening operations are defined as the period of time 45 days prior to the Scheduled Opening Date During this time Franchisee's management team begins interviewing and selecting employees and prepares Franchisee s Chicken in a Barrel BBQ Restaurant for opening Franchisor reserves the right to change the length of time required for pre-opening operations

(2) If during any training program Franchisor determines that any proposed Manager is not qualified to manage Franchisee's Chicken in a Barrel BBQ Restaurant, Franchisor will notify Franchisee and Franchisee shall select and enroll a substitute manager in the Managers Training Program Franchisor will determine whether the Managers in training are qualified based on their successful compliance with the training curriculum Franchisee acknowledges that Franchisor's determination that a Manager has successfully completed the training curriculum is not a representation or warranty of any kind express or implied, that such Manager will successfully perform his or her duties as a manager of the Store
(3) Franchisee and the Managers must attend and successfully complete all refresher training courses, additional training programs and seminars as Franchisor periodically may offer in Franchisor's discretion Franchisor provides instructors and training materials for those programs and seminars, but Franchisor reserves the right to assess Franchisee reasonable charges

for such training Franchisee is responsible for all expenses it and any employee incurs in connection with attendance and participation in these programs and seminars, including, without limitation, the cost of transportation, lodging, meals and any salaries and other wages

(4) If a Franchisee's Chicken in a Barrel BBQ Restaurant experiences turnover, each newly hired manager must be trained at the Chicken in a Barrel BBQ Certified Training Restaurant, and must successfully complete the management training program, prior to being able to work in the Franchisee's Chicken in a Barrel BBQ Restaurant

(5) Franchisee shall pay the salaries, fringe benefits, payroll taxes, unemployment compensations, workers' compensation insurance, lodging, food, automobile rental, travel costs and all other expenses for all persons either members of the initial management team or subsequent managers hired after the opening of the Franchisee's Chicken in a Barrel BBQ Restaurant, who attend any training programs on behalf of the Franchisee If training is provided at the Franchised Location by a representative of Franchisor (provided that Franchisor, in Franchisor's sole discretion, elects to do so), then the Franchisee will pay for the reasonable travel costs, lodging, food, automobile rental and other expenses incurred by Franchisor's representative in connection with such training

4 B OPERATING ASSISTANCE

From time to time as Franchisor may elect, Franchisor may advise Franchisee of operating problems of Franchisee's Chicken in a Barrel BBQ Restaurant Further Franchisor shall furnish to Franchisee assistance in connection with the operation of Franchisee's Chicken in a Barrel BBQ Restaurant as Franchisor deems appropriate Operating assistance may consist of

(1) Operating procedures utilized by Chicken in a Barrel BBQ Restaurants, including new developments in areas of store design, management, sales promotion, service concepts, and systems associated with the sale of products and as may be pertinent to the operation of Franchisee's Chicken in a Barrel BBQ Restaurant

(2) Evaluation of Franchisee's Restaurant and the services and products provided to ensure compliance with Franchisor's standards of quality

(3) Selection of additional services and/or products that may be authorized for Chicken in a Barrel BBQ Restaurants

(4) Marketing and promotion of services and products that may be authorized for Chicken in a Barrel BBQ Restaurants

(5) Formulating and implementing advertising and promotional programs

(6) Establishing the operation of administrative and general operating procedures for proper operation of a Chicken in a Barrel BBQ Restaurant

(7) Advice concerning techniques of marketing and merchandising the Franchisee's Chicken in a Barrel BBQ Restaurant, including new developments and improvements in merchandising as well as product inventory and source specifications

(8) Providing a list of approved suppliers as Franchisor deems appropriate

(9) Coordinating an annual meeting, at Franchisor's discretion, to which each franchisee in good standing will be invited Franchisor may elect to combine this meeting with the meeting for general managers referenced in Subsection (10) below Franchisee shall be responsible for all expenses of its personnel attending the annual meeting, including travel, meals and lodging

(10) Coordinating an annual meeting, at Franchisor's discretion, for the general managers of all Chicken in a Barrel BBQ Restaurants, which Franchisee's general manager(s) must attend Franchisee shall be responsible for all expenses of its personnel attending the annual meeting, including travel, meals and lodging Franchisor may elect to combine this meeting with the meeting for franchisees mentioned in Subsection (9) above

(11) Providing assistance with the training of Franchisee's new employees

(12) Franchisor, in its sole discretion, may furnish guidance to Franchisee in the form of the Operations Manual, bulletins or other written materials, telephonic consultations and/or consultations at the offices of Franchisor or at Franchisee's Store in conjunction with an inspection of Franchisee s Chicken in a Barrel BBQ Restaurant Additional assistance is, at the sole discretion of Franchisor, available at per diem charges that Franchisor establishes

4 C CERTIFIED TRAINING RESTAURANT

A franchisee's Chicken in a Barrel BBQ Restaurant may become a Certified Training Restaurant by meeting criteria established by Franchisor The Director of Operations or another authorized representative of Franchisor, as designated by Franchisor, shall be responsible for certifying a Franchisee Chicken in a Barrel BBQ Restaurant for management training Once certified, the Franchisee Chicken in a Barrel BBQ Restaurant may train their own Managers, thus reducing the expense of training new management personnel at off-site locations A Chicken in a Barrel BBQ Franchisee Restaurant may lose the status of being an approved Certified Training Restaurant if it is determined that the Store is inconsistent in the execution of the standards of a Certified Training Restaurant

4 D OPERATIONS MANUAL

Franchisor shall loan to Franchisee during the term of the franchise one (1) copy of the Operations Manual The Operations Manual contains mandatory and suggested specifications, standards and operating procedures Franchisor prescribes for Chicken in a Barrel BBQ Restaurants and information relative to other obligations of Franchisee Franchisor has the right to add to, and otherwise modify, the Operations Manual to reflect changes in authorized products and services, specifications, standards and operating procedures of a Chicken in a Barrel BBQ Restaurant Franchisee must keep its copy of the Operations Manual current and in a secure place at Franchisee's Chicken in a Barrel BBQ Restaurant The master copy of the Operations Manual that Franchisor maintains at Franchisor's principal office controls if there is a dispute relative to the contents of the Operations Manual Franchisee shall have a reasonable period of time to implement the changes in the System required by changes to the Operations Manual Franchisor shall give Franchisee written notice of the changes required and the period of time within which the changes must be implemented by Franchisee

Without limitation to the foregoing, Franchisee expressly acknowledges and agrees that Franchisee may only offer and/or sell those services and products expressly authorized by Franchisor in the Operations Manual and their Franchisees Chicken in a Barrel BBQ Restaurant must be in conformity with the Operations Manual Further, Franchisee acknowledges that Franchisor shall, from time to time, in Franchisor's sole discretion, modify, supplement, alter and/or remove those authorized products and/or services that must be provided from Franchisee's Chicken in a Barrel BBQ Restaurant If Franchisee requires replacement of the Operations Manual, Franchisee shall pay a fee to Franchisor for replacement of the Operations Manual The fee for replacement of an operations manual shall be determined by Franchisor in Franchisor's Reasonable Business Judgment

ARTICLE 5
FEES

5 A INITIAL FRANCHISE FEE

Franchisee must pay to Franchisor an initial franchisee fee in the amount of $35,000, that is due and payable on the date this Agreement is executed by Franchisee The initial franchise fee is fully earned by Franchisor upon execution of this Agreement and is non-refundable

5 B APPROVAL OF FRANCHISEE

Franchisor reserves the right to reject or disapprove the Franchisee at any time within one hundred and eighty (180) days after the date of this Agreement if in Franchisor's sole discretion (i) Franchisor determines that any required or other financial, personal or other information provided by the Franchisee to Franchisor is materially false, misleading, incomplete or inaccurate, (ii) Franchisor determines that the franchisee's Managers are not qualified or competent to properly manage or participate in the operation of the Franchisee's Chicken in a Barrel BBQ Restaurant because such person has failed to successfully complete Franchisor's certified training program, or because such person is deemed by Franchisor to be incapable of successfully completing Franchisor's training program or (iii) the Franchisee fails - within ONE HUNDRED AND EIGHTY (180) days from the date of signing this Franchise Agreement - to lease or purchase a suitable site for the Franchised Location for which Franchisor has issued a written notice of no objection

The Franchisee will not sign a lease for the Franchised Location unless the enforceability of the lease is conditional upon Franchisor's written approval

5 C REFUND OF INITIAL FEE

If the Franchisee is rejected by Franchisor pursuant to Article 5 B , then Franchisor will retain Seven Thousand ($7,000 00) Dollars as payment for the administrative and out-of-pocket expenses incurred by Franchisor including, but not limited to, executives' and employees' salaries, franchising representatives' commission, attorneys' fees, accountants' fees, travel expenses, training costs, legal compliance, marketing costs and long distance telephone calls Franchisee will be notified by Franchisor in writing if the Franchisee is disapproved by Franchisor pursuant to Article 5 B

5 D ROYALTY FEE

Throughout the Term of this Agreement, Franchisee shall pay to Franchisor a continuing weekly non-refundable royalty fee (the "Royalty Fee') in an amount equal to Six (6%) Percent (the 'Royalty Rate") of Franchisee's weekly Gross Sales The Royalty Fee shall be calculated on a weekly basis for each respective Accounting Period

The Royalty Fee is on-going and is payable in cash and calculation of the on-going Royalty Fee to be paid weekly (or based on such other Accounting Period designated by Franchisor) shall be based on the Gross Sales for the previous weekly Accounting Period Royalty Fee payments will be paid weekly and sent by electronic funds transfer, due on the third day following the end of each accounting week (for the preceding Monday through Sunday period and each and every week thereafter throughout the entire term of this Agreement) or such other specific day of the week that Franchisor designates from time to time (the "Due Date")

Upon the request of Franchisor and in no event later than thirty (30) days before Franchisee's Chicken in a Barrel BBQ Restaurant opens, Franchisee shall execute an authorization agreement, in the form proscribed by Franchisor, for preauthorized payment of Royalty Fee payments, and other amounts due from Franchisee under this Agreement, by electronic transfer of funds from Franchisee's bank account to the bank account that Franchisor designates On the Due Date each week, Franchisee shall report by telephone, electronic means, or in written form, as Franchisor directs, a Royalty Report itemizing actual sales achieved by Franchisee's Chicken in a Barrel BBQ Restaurant and any deductions therefrom to arrive at the Gross Sales for the preceding Accounting Period (the "Royalty Report") and any other reports required under this Agreement Franchisor shall have the right to verify such royalty payments from time to time, as it deems necessary in any reasonable manner If Franchisee fails to have sufficient funds in its account or otherwise fails to pay any royalties due as of the Due Date, Franchisee shall owe, in addition to such royalties a late charge equivalent to the lesser of five percent (5%) per month of any late royalty payment or Fifty Dollars ($50) provided, however, in no event shall Franchisee be required to pay a late fee at a rate greater than the maximum commercial contract interest rate permitted by applicable law Further, if Franchisee fails to submit an accurate Royalty Report by Wednesday of each week for the preceding week, Franchisee must pay, in addition to royalties, a late charge in the amount of Fifty Dollars ($50)

Franchisor may require Franchisee to pay the Royalty Fees and other amounts due under this Agreement by means other than automatic debit whenever Franchisor deems appropriate, and Franchisee agrees to comply with Franchisor's payment instructions

5 E INTEREST ON LATE PAYMENTS, COLLECTION COSTS AND ATTORNEY FEES

All unpaid obligations under this Agreement (of any nature) shall automatically bear interest from the date due until paid at the lesser of (i) twelve percent (12%) per annum, or (ii) the maximum rate allowed by applicable law However, if such past due obligation remains unpaid for more than thirty (30) days, then the amount of the unpaid and past due obligation will bear simple interest at the lesser of eighteen percent (18%) simple interest per annum or the maximum legal rate allowable by applicable law Furthermore, the Franchisee will pay Franchisor for any and all costs incurred by Franchisor in the collection of such unpaid and past due obligations including, but not limited to, reasonable attorney's fees

Franchisee acknowledges that this Article 5 E does not constitute Franchisor's agreement to accept payments after they are due or a commitment by Franchisor to extend credit to, or otherwise finance Franchisee's operation of Franchisee's Chicken in a Barrel BBQ Restaurant Further, Franchisee acknowledges that its failure to pay all amounts when due shall constitute grounds for termination of this Agreement, as provided in Article 17

5 F APPLICATION OF PAYMENTS

Franchisor has sole discretion to apply any payments received from Franchisee or to offset any indebtedness of Franchisor to Franchisee to any past due indebtedness of Franchisee for royalty fees, Advertising Contributions, purchases from Franchisor or its affiliates, interest or any other indebtedness of Franchisee to Franchisor or its affiliates

5 G WITHHOLDING PAYMENTS UNLAWFUL

Franchisee is not entitled to withhold payments due Franchisor under this Agreement on grounds of alleged nonperformance by Franchisor

5 H RELOCATION FEE

If Franchisee makes a request to relocate Franchisee's Chicken in a Barrel BBQ Restaurant, including but not limited to a request made pursuant to Article 3 E of this Agreement, Franchisee must pay to Franchisor the costs and expenses that Franchisor incurs in evaluating Franchisee's relocation request and potentially assisting with Franchisee's relocation Payment shall be due upon demand from Franchisor and shall include Franchisor's costs and expenses for labor (including Franchisor's salaried employees), travel expenses, inspection expenses, professional fee, demographic reports and related expenses

The relocation fee shall not exceed $5,000 for any one specified site relocation request

ARTICLE 6
CONFIDENTIAL INFORMATION

Franchisor or its licensors, as applicable, possess and may further develop and acquire certain confidential and proprietary information and trade secrets including, but not limited to, the System as well as the following categories of information, methods, techniques, procedures and knowledge developed or to be developed by Franchisor or its affiliates or their consultants, contractors or designees, and/or franchisees (the "Confidential Information")

(1) methods, equipment, specifications, standards, policies, procedures, information, concepts and systems relating to and knowledge of and experience in the development, operation and franchising of Chicken in a Barrel BBQ Restaurants,

(2) marketing and promotional programs for Chicken in a Barrel BBQ Restaurants,

(3) information concerning consumer preferences for services, products materials and supplies used or sold by, and specifications for and knowledge of suppliers of certain materials, equipment and fixtures used and/or sold by Chicken in a Barrel BBQ Restaurants,

(4) information concerning customers, customer lists, email lists, database lists, product sales, operating results, financial performance and other financial data of Chicken in a Barrel BBQ Restaurants,

(5) the Operations Manual, and

(6) employee selection procedures, training and staffing levels

Franchisor will disclose to Franchisee such parts of the Confidential Information as Franchisor deems necessary or advisable from time to time in its sole discretion for the operation of Franchisee's Chicken in a Barrel BBQ Restaurant during training, and in guidance and assistance furnished to Franchisee during the Term of this Agreement, and Franchisee may learn or otherwise obtain from Franchisor and its affiliates, other developers and other franchisees additional Confidential Information of Franchisor during the Term of this Agreement Franchisee acknowledges and agrees that neither Franchisee nor any other person or entity will acquire by or through Franchisee any interest in or right to use the Confidential Information other than Franchisee's right to utilize it in the operation of Franchisee's Chicken in a Barrel BBQ Restaurant pursuant to this Agreement, and that the use or duplication of the Confidential Information in any other business would constitute an unfair method of competition with Franchisor and other Chicken in a Barrel BBQ Restaurants and franchisees Franchisee agrees to disclose the Confidential Information to its owners, employees and other persons only to the extent necessary for the operation of Franchisee s Chicken in a Barrel BBQ Restaurant and only if such individuals have agreed to maintain such information in confidence in a written agreement enforceable by Franchisor and approved by Franchisor

Franchisee acknowledges and agrees that the Confidential Information is confidential to and a valuable asset of Franchisor, is proprietary, includes trade secrets of Franchisor, and is disclosed to Franchisee solely on the condition that Franchisee, its owners and its employees who have access to the Confidential Information agree, and Franchisee does hereby agree, that, during and after the term of this Agreement, Franchisee, its owners and such employees

(1) will not use the Confidential Information in any other business or capacity,

(2) will maintain the absolute secrecy and confidentiality of the Confidential Information,

(3) will not make unauthorized copies of any portion of the Confidential Information disclosed in written or other tangible form,

(4) will keep the Operations Manual in a secure place at Franchisee's Chicken in a Barrel BBQ Restaurant,

(5) will adopt and implement all reasonable procedures prescribed from time 'to time by Franchisor to prevent unauthorized use or disclosure of the Confidential Information, including, without limitation, requiring

(a) the following persons to execute the Confidentiality and Non-Competition Agreement in the form attached hereto as Exhibit B

(i) all Principals,

(ii) any employee of Franchisee at or above the level of Franchisee's Chicken in a Barrel BBQ Restaurant manager, and

(iii) any other employee of Franchisee who will have access to the Confidential Information, and

(b) any other person who will have access to Confidential Information to execute the Confidentiality Agreement in the form attached hereto as Exhibit C

Notwithstanding the foregoing and any other provision of this Agreement, Franchisee may use the Confidential Information in connection with the operation of other Chicken in a Barrel BBQ Restaurants (in addition to Franchisee's Restaurant) pursuant to other franchise agreements with Franchisor

Notwithstanding anything to the contrary contained in this Agreement, the following shall not constitute Confidential Information and the restrictions on Franchisee's disclosure and use of the Confidential Information shall not apply to the following

(1) generalized information, methods, procedures and knowledge that becomes known within Franchisee's Chicken in a Barrel BBQ Restaurant but not as a result of any disclosure (whether deliberate or inadvertent) by Franchisee or any other party having an obligation (or required to have an obligation) of confidentiality to Franchisor and

(2) the disclosure of the Confidential Information in judicial or administrative proceedings to the extent that Franchisee is legally compelled to disclose such information and provided that Franchisee has notified Franchisor prior to disclosure and shall have used its best efforts to obtain, and shall have afforded Franchisor the opportunity to obtain, an appropriate protective order or other assurance satisfactory to Franchisor as to the confidential treatment of the information required to be disclosed

Franchisee agrees to disclose to Franchisor all ideas, concepts, methods and products conceived or developed by Franchisee, its affiliates, owners or employees during the term of this Agreement relating primarily to the development and operation of Chicken in a Barrel BBQ Restaurants, provided that Franchisee will not be obligated to make such disclosures if doing so would violate any contractual obligations of Franchisee that arose prior to Franchisee's execution of this Agreement

Franchisee hereby assigns to Franchisor and agrees to procure from its owners, affiliates and employees assignment of any such ideas, concepts, recipes, methods, and products that Franchisee is required to disclose to Franchisor hereunder Franchisor shall have no obligation to make any lump sum or on-going payments to Franchisee or its owners, affiliates or employees with respect to any such idea, concept, method, technique or product Franchisee agrees that Franchisee will not use nor will it allow any other person or entity to use any such concept, method or product without obtaining Franchisor's prior written approval

ARTICLE 7
EXCLUSIVE RELATIONSHIP

7 A IN-TERM COVENANT NOT TO COMPETE

Franchisee acknowledges and agrees that Franchisor would be unable to protect the Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among franchisees of Chicken in a Barrel BBQ Restaurants if franchisees and/or their Principals (and members of their Immediate Families) were permitted to engage in, hold interests in or perform services for any Competitive Business Franchisee further acknowledges and agrees that the restrictions contained in this Article 7 will not hinder or restrict Franchisee's activities or the activities of Franchisee's Principals (or members of their Immediate Families) under this Agreement or in general Franchisee therefore agrees that during the term of this Agreement, neither Franchisee, Franchisee's affiliates, nor any Principal, nor any member of the Immediate Family of Franchisee or of a Principal, shall directly or indirectly

(1) Have any interest as a record or beneficial owner in any Competitive Business (this restriction shall not be applicable to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market and quoted on a national inter-dealer quotation system that represent less than three outstanding),
(2) Perform services as a director, officer, manager, employee, consultant, representative, agent, or otherwise for any Competitive Business,

(3) Divert or attempt to divert any business or any customers of any Chicken in a Barrel BBQ Restaurant to any Competitive Business, o

(4) Employ or seek to employ any person who is employed by Franchisor, its affiliates or by any other developer or franchise of Chicken in a Barrel BBQ Restaurants, nor induce any such person to leave said employment without the prior written consent of such person's employer

Notwithstanding the foregoing, nothing contained herein shall prohibit a member of the Immediate Family of Franchisee or of a Principal from being employed by a Competitive Business at a non-managerial level below that of a Chicken in a Barrel BBQ Restaurant manager Franchisee acknowledges and agrees that the failure of any person or entity restricted pursuant to this Article 7 to comply with the restrictions of this Article 7 (regardless of whether that person or entity actually has executed this Agreement or a Confidentiality and Non-Competition Agreement) shall constitute a breach of this Agreement

7 B NO OTHER BUSINESS

If Franchisee is a corporation, limited liability company or partnership, it will not engage in any business or other activity, directly or indirectly, other than the development and operation of Franchisee's Chicken in a Barrel BBQ Restaurant

ARTICLE 8
RESTAURANT IMAGE AND OPERATING STANDARDS

8 A MAINTENANCE OF CONDITION AND APPEARANCE

Franchisee must at all times maintain Franchisee's Chicken in a Barrel BBQ Restaurant in a high quality of repair, appearance, condition and sanitation, and must make any additions, alterations, repairs and replacements (but no others without Franchisor's written consent) for that purpose, including, without limitation, repainting, re-carpeting, repairing and otherwise refreshing the appearance of Franchisee's Chicken in a Barrel BBQ Restaurant as necessary

8 B UPDATING AND UPGRADING

Upon the request of Franchisor, Franchisee must improve, modify and remodel the Franchisee's Chicken in a Barrel BBQ Restaurant premises to the Franchisor's then-current standards and specifications Franchisee agrees to make such improvements or modifications when changes to Franchisor's standards and specifications are made applicable to Franchisee's Chicken in a Barrel BBQ Restaurant

8 C REMEDIES FOR NONCOMPLIANCE WITH APPEARANCE OF RESTAURANT

If Franchisee fails or refuses to initiate within ten (10) days after receipt of notice, and to continue in good faith and with due diligence, a bona fide program to undertake and complete any required maintenance or refurbishing that, in Franchisor's sole discretion, is necessary to prevent a negative impact upon the goodwill associated with the Licensed Marks and/or the System, then Franchisor has the right, but is not obligated, to enter upon the premises of

Franchisee's Chicken in a Barrel BBQ Restaurant and effect maintenance and refurbishing on Franchise's behalf, and Franchisee must pay the entire cost to Franchisor on demand

8 D DAMAGE CAUSED BY CASUALTY

If Franchisee's Chicken in a Barrel BBQ Restaurant is damaged or destroyed by fire or any other casualty, Franchisee must, as soon as practicable but in no event later than two (2) months after such casualty, initiate repairs or reconstruction, and thereafter in good faith and with due diligence continue until completion repairs or reconstruction, in order to restore the premises of Franchisee's Chicken in a Barrel BBQ Restaurant to its original condition before casualty Notwithstanding anything to the contrary contained herein, if, in Franchisor's reasonable judgment, the damage or destruction is of a nature or to an extent that it is feasible for Franchisee to repair or reconstruct the premises of Franchisee's Chicken in a Barrel BBQ Restaurant in conformance with the then-current standard and specifications for Chicken in a Barrel BBQ Restaurants without incurring substantial additional costs, Franchisor may require Franchisee, by giving written notice, to repair or reconstruct the premises of Franchisee's Chicken in a Barrel BBQ Restaurant in conformance with the then-current standards and specifications for Chicken in a Barrel BBQ Restaurants

8 E ALTERATIONS TO THE RESTUARANT

Franchisee must make no material alterations to the premises or appearance of Franchisee's Chicken in a Barrel BBQ Restaurant, nor make any unapproved replacements of or material alterations to the fixtures, equipment, furniture or signs of Franchisee's Chicken in a Barrel BBQ Restaurant without prior written approval by Franchisor Franchisor has the right, in its sole discretion and at the sole expense of Franchisee, to rectify any material alterations to Franchisee's Chicken in a Barrel BBQ Restaurant not previously approved by Franchisor or contrary to the specifications and standards of Franchisor as contained in the Operations Manual Franchisor will provide written notice to Franchisee and grant Franchisee a reasonable period of time to rectify and correct the material alteration before Franchisor makes the correction

8 F UNIFORM IMAGE / STANDARD AND SPECIFICATION REQUIREMENTS AND ACKNOWLEDGMENT AS TO PROPRIETARY PRODUCTS

To ensure that the highest degree of uniformity, quality and service is maintained, Franchisee must use its best efforts to operate Franchisee's Chicken in a Barrel BBQ Restaurant in strict conformity with the methods, standards and specifications of Franchisor as set forth in the Operations Manual and as Franchisor may otherwise reasonably prescribe in writing Franchisee agrees

(1) To offer, provide, conduct and sell all products and services Franchisor requires, utilizing the method, manner and style of distribution Franchisor prescribes, and to offer or sell no other products or services Franchisor has the right to change, add or remove and modify the products and services approved by Franchisor for all Chicken in a Barrel BBQ Restaurants and Franchisee will comply with such changes

(2) To accept Franchisor issued gift certificates and/or electronic gift cards and comply with the policies and standards set by Franchisor for the sale and acceptance of gift certificates and electronic gift cards Franchisee will not issue gift certificates, coupons, scrip or other cash equivalent certificates or devices for use at Franchisee's Chicken in a Barrel BBQ Restaurant without the prior written approval of Franchisor If Franchisee redeems and/or sells electronic gift cards at Franchisee's Chicken in a Barrel BBQ Restaurant Franchisee must execute Franchisor's then current form of gift card agreement

(3) To purchase, utilize and offer to customers Chicken in a Barrel BBQ branded customer loyalty cards to honor customer loyalty programs,, discounts and free product offerings designated by Franchisor

(4) To maintain in sufficient supply to realize the full potential of Franchisee's Chicken in a Barrel BBQ Restaurant and to use at all times only those ingredients, and those items, products and supplies that conform to Franchisor's standards, specifications and, if applicable (as determined by Franchisor in Franchisor's sole discretion), Franchisor designated supplier

(5) To permit Franchisor or its agents, at any reasonable time, to inspect Franchisee's Chicken in a Barrel BBQ Restaurant and to test and evaluate the services and/or products offered from Franchisee's Chicken in a Barrel BBQ Restaurant evaluate whether or not same meet Franchisor's standards and specifications

(6) To designate and retain at all times a general manager (in addition to the duties of a Managing Principal as Manager – during those permitted times that Franchisee's Managing Principal does not work on-site at Franchisee's Chicken in a Barrel BBQ Restaurant) and who consistently demonstrates his or her ability to satisfy the performance requirements of his or her position

(7) At Franchisor's request, and at Franchisee's expense, to install and maintain, at all times, signs and equipment in accordance with Franchisor's specifications, including, without limitation, equipment utilized in connection with the operations of Franchisees Chicken in a Barrel BBQ Restaurant and the products and services authorized to be provided from Franchisee's Chicken in a Barrel BBQ Restaurant, security system, computer equipment, software, and telecommunications equipment and connections necessary to permit Franchisor to access and retrieve by telecommunication any information stored on any point of sale system (if any) or other computer hardware and software, thereby permitting Franchisor to inspect and monitor electronically information concerning the Franchisee's Chicken in a Barrel BBQ Restaurant

(8) To establish and maintain at Franchisee's expense a bookkeeping, accounting, and record keeping system conforming to the requirements and formats Franchisor prescribes from time to time To the extent that Franchisor requires Franchisee to use online and/or cloud based systems including, but not limited to, QuickBooks Online Franchisor shall be granted and given full and complete access to Franchisees records

(9) Without limitation to the foregoing, Franchisee expressly acknowledges and agrees that the use, utilization, offer and sale of the Proprietary Products (as same is designated in writing and mandated by Franchisor from time to time) is mandatory and that Franchisee shall exclusively purchase the Proprietary Products directly from Franchisor, Franchisor's affiliates and/or those third party suppliers designated by Franchisor in writing Franchisee further acknowledges that Franchisor and/or Franchisor's affiliate shall, in many and possibly all instances, be the exclusive supplier of Proprietary Products

8 G MARKET RESEARCH/TESTING

Franchisor may conduct market research and testing to evaluate, modify, test and/or sample the products and services authorized by Franchisor and to determine consumer trends and the viability of certain services and products Franchisee agrees to participate in Franchisor's market research programs that may be conducted by Franchisor in its discretion, by test marketing products from Franchisee's Chicken in a Barrel BBQ Restaurant Franchisee agrees to provide Franchisor with timely reports and other relevant information regarding market research Franchisee agrees to purchase a reasonable quantity of the tested products and effectively promote and make a reasonable effort to sell the products and/or services

8 H APPROVED PRODUCTS, DISTRIBUTORS AND SUPPLIERS

The reputation and goodwill of Franchisor and of all Chicken in a Barrel BBQ Restaurants is based upon and can be maintained only by the offer, sale, promotion and delivery of high quality products and the presentation, packaging and taste of such products Franchisor has developed various products and packaging utilizing Franchisor's proprietary systems and research and, as such, Franchisor has developed standards and specifications for the Proprietary Products and the ingredients, raw materials, prepared foods, for the production of the Proprietary Products and equipment utilized in connection with the products offered from Chicken in a Barrel BBQ Restaurants Franchisor has and will periodically approve suppliers and distributors of the foregoing equipment, materials, supplies and/or products that meet Franchisor's standards and requirements including, without limitation, standards and requirements relating to all menu items, authorized menu items, Proprietary Products and the ingredients, raw materials, prepared foods and recipes for the production of the Proprietary Products and equipment

Franchisee agrees that Franchisee's Chicken in a Barrel BBQ Restaurant will (a) offer and provide only those products approved and authorized by Franchisor, (b) Purchase and utilize specialized equipment designated by Franchisor and subject to Franchisor's specifications, from only Franchisor or Franchisor's approved supplier, (c) purchase the Proprietary Products and/or upon the instruction of Franchisor to purchase from Franchisor's approved supplier the ingredients, raw materials, prepared foods and recipes for the production of the Proprietary Products, (d) Purchase and offer products subject to Franchisor's standards specifications and approval, (e) purchase interior displays and point of sale displays, as designated by franchisor only from Franchisor or Franchisor's approved supplier, and (f) purchase from distributors and other suppliers approved by Franchisor all other materials, goods, and supplies used in offering, supplying and promoting products offered and/or sold from Franchisee s Chicken in a Barrel BBQ Restaurant

Franchisor may from time to time modify the list of approved brands and/or suppliers or distributors and Franchisee shall not after receipt in writing of such modification reorder any brand from any supplier or distributor that is no longer approved

Franchisor reserves the right to designate, from time to time, a single supplier or distributor for any services, products, equipment, supplies, or materials and to require Franchisee to use such a designated supplier exclusively, which exclusive designated supplier or distributor may be Franchisor or its affiliates Franchisor and its affiliates may receive payments from suppliers or distributors on account of such supplier's or distributor's dealings with Franchisee and other franchisees and may use all amounts so received without restriction and for any purpose Franchisor and its affiliates deem appropriate (unless Franchisor and its affiliates agree otherwise with the supplier or distributor)

Franchisee shall notify Franchisor and submit to Franchisor such information, specifications, and samples as Franchisor requests if Franchisee proposes to purchase non-proprietary equipment, products, services or materials Franchisor shall notify Franchisee within sixty (60) days from a notice date as to whether the Store is authorized to purchase such products from such distributor or other supplier Franchisee shall pay Franchisor a product testing fee in the amount of Fifty Dollars ($50) per item to offset its internal administrative costs associated with approving such "new" distributor or supplier and/or supplier's product plus all reasonable costs and expenses incurred by Franchisor for testing of the item or inspection of the premises by an independent laboratory Said fees shall be payable and due from Franchisee to Franchisor within fourteen (14) days of the date of Franchisor's invoice Franchisor may also impose reasonable inspection and supervision fees on approved suppliers or distributors to cover Franchisor's costs incurred in making such determination Further, Franchisor shall have the right, in its sole discretion, to re-inspect the facilities and/or products of any such supplier or distributor and to revoke its consent if such supplier or distributor fails to maintain Franchisor's standards

8 1 COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES

(1) Franchisee must secure and maintain in force all required licenses, permits and certificates relating to the operation of Franchisee's Chicken in a Barrel BBQ Restaurant and must operate Franchisee's Chicken in a Barrel BBQ Restaurant in full compliance with all applicable laws, ordinances and regulations

(2) Franchisee must notify Franchisor in writing (a) within three (3) days of the commencement of any action, suit, proceeding or investigation, and of the issuance of any order, writ, injunction, award of decree, by any court, agency, or other governmental entity which may adversely affect the operation or financial condition of Franchisee or Franchisee's Chicken in a Barrel BBQ Restaurant, and (b) immediately after receipt of any notice of violation of any law, ordinance or regulation relating to health, licensing, sanitation or the operation of Franchisee's Chicken in a Barrel BBQ Restaurant

(3) All advertising and promotion by Franchisee must be completely factual and must conform to the highest standards of ethical advertising Franchisee agrees to refrain from

any business or advertising practice or personal conduct that may be injurious to the business of Franchisor and the goodwill associated with the Licensed Marks and other Chicken in a Barrel BBQ Restaurants Franchisor, in Franchisor's sole discretion shall possess the unilateral right to reject, among other things, any and all advertising relating to the performance of Chicken in a Barrel BBQ Restaurants / Franchisee's Chicken in a Barrel BBQ Restaurant and the results and/or anticipated results of prior or future clients of Franchisee's Chicken in a Barrel BBQ Restaurant

(4) Franchisee must at all times give prompt, courteous and efficient service to its customers Franchisee s Chicken in a Barrel BBQ Restaurant must, in all dealings with its customers and suppliers and the public, adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct Franchisee must maintain a competent, conscientious, trained staff and take steps necessary to ensure that its employees preserve good customer relations and comply with Franchisor's uniform standards

(5) Franchisee and its owners agree to comply with and/or to assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with Anti-Terrorism Laws (as defined below) In connection with such compliance, Franchisee and its owners certify, represent, and warrant that none of Franchisee s or any of its owner's property or interests is subject to being 'blocked" under any of the Anti-Terrorism Laws and that Franchisee and its owners are not otherwise in violation of any of the Anti-Terrorism Laws Franchisee further certifies that Franchisee and its owners are not listed on the Annex to Executive Order 13244 (the Annex is available at http //www treasury gov) and will not become so listed, hire any person so listed or have dealings with a person so listed Franchisee agrees to immediately notify Franchisor if Franchisee or any of its owners become so listed "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States 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 addressing or in any way relating to terrorist acts and acts of war If Franchisee, its owners or its employees violate any of the Anti-Terrorism Laws, become listed on the Annex to Executive Order 13244, Franchisor may terminate this Agreement immediately

8 J MANAGEMENT OF THE RESTAURANT

(1) Franchisee's Chicken in a Barrel BBQ Restaurant must at all times be under the direct, day-to-day, full-time management and on-site supervision of a manager who has satisfactorily completed Franchisor's Managers Training Program Franchisee's Manager must conduct his or her duties and obligations as Franchisee's Chicken in a Barrel BBQ Restaurant Manager on-site at Franchisee's Chicken in a Barrel BBQ Restaurant on a full time basis Franchisee s designated manager must attend all meetings scheduled and conducted by Franchisor for the purpose of supplemental and additional training and educating as Franchisor may require from time-to-time and in accordance with the terms of this Agreement

(2) Franchisee must at all times faithfully, honestly and diligently perform its obligations hereunder, and continuously exert its best efforts to promote and enhance the business of

Franchisee's Chicken in a Barrel BBQ Restaurant and the goodwill of the Licensed Marks At all times Franchisee's Chicken in a Barrel BBQ Restaurant must be managed by on-site managers who have completed, to Franchisor's satisfaction, Franchisor's Managers Training Program

(3) If at any time Franchisee's Chicken in a Barrel BBQ Restaurant is not being managed by a manager who completed, to Franchisor's satisfaction, the Managers Training Program, Franchisor is authorized, but is not required, to immediately appoint a manager to maintain the operations of the Franchisee's Chicken in a Barrel BBQ Restaurant for and on behalf of Franchisee Franchisor's appointment of a manager of the Franchisee's Chicken in a Barrel BBQ Restaurant does not relieve Franchisee of its obligations or constitute a waiver of Franchisor's right to terminate the Franchise pursuant to Article 17 Franchisor is not liable for any debts, losses, costs or expenses incurred in the operations of the Franchisee's Chicken in a Barrel BBQ Restaurant or to any creditor of Franchisee for any products, materials, supplies or services purchased by the Franchisee's Chicken in a Barrel BBQ Restaurant while it is managed by Franchisor's appointed manager Franchisor has the right to charge a reasonable fee for management services and to cease to provide management services at any time

(4) Franchisee will at all times maintain sufficient working capital to fulfill its obligations under this Agreement

ARTICLE 9
INSURANCE

Franchisee must procure and maintain in full force at all times during the term of this Agreement, at Franchisee's expense, on a primary, rather than a participatory basis with Franchisor, an insurance policy or policies protecting Franchisee and Franchisor, as named insured's, and their affiliates, successors and assigns, and the officers, directors, shareholders, partners, agents, representatives, independent contractors and employees against any demand or claim with respect to personal injury, death or property damage, or any loss, liability or expense whatsoever arising or occurring upon or in connection with Franchisee's Chicken in a Barrel BBQ Restaurant The policy or policies must be written by a responsible carrier or carriers reasonably acceptable to Franchisor The currently required insurance coverage and minimums are

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Insurance
Coverage against direct physical loss or damage to real and personal property, including improvements and betterments, for all-risk perils, including flood and earthquake, if the relevant property is situated in a flood or earthquake zone, equal to at least 90% of Franchisee's Chicken in a Barrel BBQ Restaurant's full insurable value,
Comprehensive general liability insurance, written on an occurrence basis, extended to include contractual liability, products and completed operations, and personal and advertising injury, with a combined bodily injury and property damage limit of at least $1,000,000 per occurrence,
Statutory workers' compensation insurance and employers' liability insurance as required by the law of the state in which Franchisee's Chicken in a Barrel BBQ Restaurant is located, including statutory workers' compensation limits and employers' liability limits of at least $1,000,000, $2,000,000 aggregate,
Business automobile insurance with a combined single bodily injury and property damage limit of at least $1,000,000 per occurrence,
Business interruption insurance of at least $200,000
Commercial umbrella liability insurance with total liability limit of at least $5,000,000,
Products liability insurance with a limit of at least $1,000,000, which policy must be considered primary,
Employer practices liability insurance with a limit of at least $1,000,000, and
All other insurance that Franchisor may require in the Operations Manual or that is required by law or by the lease or sublease for Franchisee's Chicken in a Barrel BBQ Restaurant's

Franchisor may periodically increase the amounts of coverage required under such insurance policies and require different or additional kinds of insurance at any time, including excess liability insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances, provided that Franchisor shall not increase such minimum coverage more than once every two (2) years and that such increases shall be reasonable in light of the risks insured All public liability and property damages policies must contain a provision that Franchisor is entitled to recover under these policies on any loss occasioned to Franchisor or its agents or employees by reason of the negligence of Franchisee or its servants, agents or employees

By the earlier of ninety (90) days after execution of this Agreement or prior to commencing training for the opening of Franchisee's Chicken in a Barrel BBQ Restaurant, Franchisee must deliver or cause to be delivered to Franchisor a copy of the Certificate of Insurance in compliance with these requirements All insurance policies required must expressly provide that no less than thirty (30) days' prior written notice shall be given to Franchisor in the event of a material alteration to or cancellation of the policies

Should Franchisee, for any reason, fail to procure or maintain the insurance required by this Agreement, as these requirements may be revised by Franchisor in writing, Franchisor has the right and authority (without, however, any obligation to do so) immediately to procure insurance and to change same to Franchisee, which charges, together with a reasonable fee to Franchisor's expenses in so acting, shall be payable by Franchisee immediately upon notice The foregoing remedies are in addition to any other remedies Franchisor may have at law or in equity

ARTICLE 10
ADVERTISING

10 A BRAND DEVELOPMENT FUND

Franchisor reserves the right to institute, maintain and administer, at any and all times, a brand development fund (the "Brand Development Fund") for advertising, marketing, promotional and public relations programs, marketing and consumer research equipment, supply and product testing, service and procedure development, product development, creative production and activities as Franchisor, in Franchisor's Reasonable Business Judgment, deems appropriate to develop and promote the Chicken in a Barrel BBQ brand and/or System In all aspects of these programs, including without limitation, the type, quantity, timing, placement, choice of media (if any), market areas, advertising and public relation agencies, the standards, specifications, and decisions of the Franchisor shall be final and binding on Franchisee If Franchisor, in Franchisor's Reasonable Business Judgment institutes the Brand Development Fund, Franchisee agrees to and shall be required to pay a mandatory and continuing fee to the Brand Development Fund in an amount equal to a percentage of Gross Sales of Franchisee's Chicken in a Barrel BBQ Business for each Accounting Period (the "Brand Development Fund Fee"), as determined by Franchisor in its sole discretion, for the purpose of advertising and promoting the System on a national and/or regional basis, provided that Franchisee will not be required to contribute more than one (1%) percent of the Gross Sales of Franchisee's Chicken in a Barrel BBQ Business for each Accounting Period Franchisor will provide Franchisee with written notice of the percentage of Gross Sales that Franchisee is required to contribute to the Brand Development Fund Upon written notice to Franchisee, the percentage of Gross Sales to be paid by Franchisee to the Brand Development Fund will be applicable for each and every Accounting Period thereafter until further written notice by Franchisor The Brand Development Fund Fee must be paid to Franchisor on the Due Date for the then current royalty fee payments Chicken in a Barrel BBQ Businesses owned by Franchisor or its affiliates are not required to pay any Brand Development Fund Fee or contribute to or make any contribution to the Brand Development Fund

If at all applicable, Franchisor shall direct all advertising, media placement, marketing and public relations programs (if any) and activities financed by the Brand Development Fund, with sole discretion over the strategic direction, creative concepts, materials and endorsements used therein, and the geographic, market, and media placement and allocation thereof Franchisee agrees that the Brand Development Fund may be used to pay various costs and expenses, including costs of Franchisor's personnel and other departmental costs for advertising, product and service testing, development and maintenance of Franchisor's website, service development and creative development that is internally administered or prepared by Franchisor and other marketing activities made by Franchisor, provided, however, that salary expenses for Franchisor's personnel paid by the Brand Development Fund shall be commensurate with the amount of that time spent by such personnel on Brand Development Fund matters Franchisee agrees to participate in all advertising, marketing, promotions, research and public relations programs instituted by the Brand Development Fund The Brand Development Fund shall furnish Franchisee with reasonable quantities of marketing, advertising and promotional formats and sample materials at cost to be paid by Franchisee

The Brand Development Fund shall be accounted for separately, but Franchisor shall not be required to segregate contributions to the Brand Development Fund from the other funds of Franchisor Franchisor shall not use contributions to the Brand Development Fund to defray any of Franchisor's general operating expenses, except for such reasonable salaries, administrative costs and overhead as Franchisor may incur in activities reasonably related to the administration and activities of the Brand Development Fund and creation or conduct of its marketing programs including, without limitation, conducting market research, preparing advertising and marketing materials and collecting and accounting for contributions to the Brand Development Fund Franchisor may spend in a fiscal year an amount greater or less than the aggregate contributions of all Chicken in a Barrel BBQ Businesses to the Brand Development Fund in that year The Brand Development Fund may borrow from Franchisor or other lenders at standard commercial interest rates to cover deficits of the Brand Development Fund or cause the Brand Development Fund to invest any surplus for future use by the Brand Development Fund All interest earned on monies contributed to the Brand Development Fund will be used to pay costs of the Brand Development Fund before other assets of the Brand Development Fund are expended A summary statement of monies collected and costs incurred by the Brand Development Fund for Franchisor's immediately preceding fiscal year shall be made available to Franchisee upon Franchisee's written request Franchisor will have the right to cause the Brand Development Fund to be incorporated or operated through an entity separate from Franchisor at such time as Franchisor deems appropriate, and such successor entity shall have all rights and duties of Franchisor pursuant to this paragraph

Franchisee understands and acknowledges that the Brand Development Fund is intended to maximize recognition of the Licensed Marks, the System and Chicken in a Barrel BBQ Businesses generally Although Franchisor will endeavor to utilize the Brand Development Fund to develop advertising copy, marketing materials, public relations and/or other programs, Franchisor undertakes no obligation to ensure that expenditures by the Brand Development Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the Brand Development Fund by Chicken in a Barrel BBQ Restaurants operating in that geographic area or that any Chicken in a Barrel BBQ Restaurants will benefit directly or in proportion to its contribution to the Brand Development Fund from the development of advertising and marketing materials Franchisor may use the Brand Development Fund to promote and/or benefit any type of Chicken in a Barrel BBQ Businesses in the System Franchisor may use the National Advertising Fund to promote and/or benefit Chicken in a Barrel BBQ Restaurants located within a particular region of the United States Franchisee acknowledges that its failure to derive any such benefit will not serve as a basis for a reduction or elimination of its obligation to contribute to the Brand Development Fund Franchisee further acknowledges and agrees that the failure (whether with or without Franchisor's permission) of any other franchisee to make the appropriate amount of contributions to the Brand Development Fund shall not in any way release Franchisee from or reduce Franchisee's obligations under this Article "10", such obligations being separate and independent obligations of Franchisee under this Agreement Except as expressly provided in this Article "10", Franchisor assumes no direct or indirect liability or obligation to Franchisee with respect to the maintenance, direction, or administration of the Brand Development Fund

Without limitation to the foregoing Franchisee expressly acknowledges and agrees that the Brand Development Fund is not intended to and shall not be utilized for the purchase of advertising on behalf of Franchisee or within a market within which Franchisee's Chicken in a Barrel BBQ Restaurant is located and that among other things, the Brand Development Fund may be utilized to maintain and operate generalized campaigns and media such as websites, web media, public relations, product testing and designs

10 B LOCAL ADVERTISING

Franchisee agrees to spend an amount equal to not less than one percent (1%) of Gross Sales on local advertising and public relations in Franchisee's market each Accounting Period On or before the fifteenth (15th) day after each Accounting Period, Franchisee must provide to Franchisor with an accurate accounting of its local advertising expenditures, public relations and marketing activities during the immediately preceding Accounting Period Franchisee agrees to provide to Franchisor such other periodic reports and records of such local advertising as may be requested by Franchisor

If the Franchisee's expenditures for local advertising activities do not aggregate the required percentage of Franchisee's Gross Sales annually, Franchisee must contribute the deficiency on local advertising as directed by Franchisor

Franchisee expressly acknowledges, understands and agrees that all local advertising and other marketing efforts of Franchisee must be pre-approved, in writing by Franchisor Franchisor reserves all rights to reject any and all marketing efforts requested by Franchisee

(1) Local Advertising Reports Franchisee shall provide Franchisor with monthly reports documenting Franchisee's advertising initiatives (which must be approved by Franchisor and consistent with Franchisor's standards and specifications) and expenditures, including Profit and Loss Statements, advertising return on investment calculations and other documentation as Franchisor may request to evaluate Franchisee's local advertising and local advertising expenditures

(2) Grand Opening Advertising Prior to the opening of Franchisee's Chicken in a Barrel BBQ Restaurant Franchisee shall submit to Franchisor, Franchisee's grand opening marketing plan for review and approval by Franchisor In accordance with Franchisee's grand opening marketing plan – provided that same is approved by Franchisor - Franchisee will spend a minimum of $4,000 on grand opening advertising for Franchisee's Chicken in a Barrel BBQ Restaurant The Franchisee will provide to Franchisor a written accounting of its expenditures for grand opening advertising, in the form prescribed by Franchisee, within thirty (30) days after the date the Franchisee commences business Expenditures by the Franchisee for grand opening advertising may be applied to the Franchisee's local advertising requirement set forth in this Article 10

(3) Franchisee's Name and Photograph Franchisee hereby grants to Franchisor the right, without compensation to Franchisee, to use Franchisee's name, address, photograph, and biographical information in any publication related to the System, including in relation to the sale of other Chicken in a Barrel BBQ franchises

10 C APPROVAL OF FRANCHISOR

Before Franchisee uses any local advertising and promotional materials not prepared by or previously approved by Franchisor, Franchisee shall submit samples of such materials to Franchisor for approval, which shall not be unreasonably withheld Provided that Franchisee has satisfied the notification requirements set forth in this Agreement, if Franchisor does not notify Franchisee that Franchisor disapproves the materials within fifteen (15) days from the date Franchisor receives the materials, then Franchisee may commence using the materials However, Franchisor may still disapprove such materials by notice to Franchisee, and Franchisee must then cease using such materials upon receipt of such notice Franchisee must not use any advertising or promotional materials that Franchisor has disapproved

10 D WEBSITES AND WEB BASED MEDIA PROHIBITIONS

Franchisee expressly acknowledges and agrees that Franchisee's use of Web Based Media shall be subject to and require Franchisor's express written consent which shall and may be withheld by Franchisor for any or no reason at all Without limitation to the foregoing, Franchisee further acknowledges and agrees that Franchisee shall possess no right or authority to utilize Web Based Media and that Franchisor reserves all rights respecting the marketing, sale and distribution of products and/or services through Web Based Media Franchisee posses no right, claim and/or interest in any products an/or services offered an/or provided by Franchisor through Web Based Media

To the extent that Franchisor approves Franchisee's use of Web Based Media, such approval shall be limited to the identification of Franchisee's Chicken in a Barrel BBQ Restaurant on the primary website designated by Franchisor wherein all Chicken in a Barrel BBQ Restaurants may be identified

10 E WAIVERS OR DEFERRALS

On written request from Franchisee with reasons supporting such request, Franchisor may, at its sole discretion and on conditions Franchisor deems appropriate, temporarily waive or defer the obligations of Franchisee under the Brand Development Fund In no event shall such waiver or deferral extend beyond six (6) months However, at the end of any waiver or deferral period, Franchisee may resubmit a request for waiver or deferral of its obligations under the Brand Development Fund Under no circumstance shall Franchisor be under any obligation to grant any waiver of deferral Franchisor may reject Franchisees request for a waiver or deferral based on any reason or no reason at all

ARTICLE 11
RELATIONSHIP OF THE PARTIES/INDEMNIFICATION

11 A INDEPENDENT CONTRACTORS

The parties understand and agree that this Agreement does not create a fiduciary relationship between them, that Franchisor and Franchisee are independent contractors and that nothing in this Agreement is intended to make either party a general or special agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose

Franchisee must conspicuously identify itself at the premises of Franchisee's Chicken in a Barrel BBQ Restaurant and in all dealings with customers, lessors, contractors, suppliers, public officials and others as the owner of the Chicken in a Barrel BBQ Restaurant under a franchise from Franchisor, and must place other notices of independent ownership on signs, forms, stationery, advertising and other materials as Franchisor requires

Franchisee must not employ any Licensed Mark in signing any contract, lease, mortgage, check, purchase agreement, negotiable instrument or other legal obligation or employ any Licensed Mark in a manner that is likely to result in liability of Franchisor for any indebtedness or obligation of Franchisee

Neither Franchisor nor Franchisee may make any express or implied agreements, guaranties or representations, or incur any debt, in the name of or on behalf of the other or represent that their relationship is other than franchisor and franchisee, and neither Franchisor nor Franchisee shall be obligated by or have any liability under any agreements or representations made by the other that are not expressly authorized, nor is Franchisor obligated for any damages to any person or property directly or indirectly arising out of the operation of the Store, whether or not caused by Franchisee's negligent or willful action or failure to act

Franchisor shall have no liability for any sales, use, excise, gross receipts, property or other taxes, whether levied upon Franchisee, the Franchisee's Chicken in a Barrel BBQ Restaurant or its assets, or upon Franchisor in connection with sales made, services performed or business conducted by Franchisee

11 B INDEMNIFICATION BY FRANCHISEE

Franchisee and each of the Principals must, at all times, indemnify, defend upon Franchisor's request through counsel acceptable to Franchisor, and hold harmless, to the fullest extent permitted by law, Franchisor and its affiliates and their officers, directors, shareholders, partners, agents, representatives, independent contractors and employees, assigns and successors from all losses and expenses and for any liability, taxes or damages (actual or consequential) and all reasonable costs and expenses of defending any claim brought against any of them or any action in which any of them is named as a party (including reasonable accountants', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses) which any of them may suffer, sustain or incur by reason of, arising from or in connection with Franchisee's ownership or operation of Franchisee's Chicken in a Barrel BBQ Restaurant, unless the loss, liability or damage is solely and exclusively due to Franchisor's gross negligence Franchisee and each of the Principals agree to give Franchisor prompt notice of any action, suit, proceeding, claim, demand, inquiry or investigation At the expense and risk of Franchisee and each of the principals, Franchisor may elect to assume (but under no circumstances is obligated to undertake) the defense and/or settlement of any action, suit, proceeding, claim, demand, inquiry or investigation Such an election by Franchisor to defend the action shall not diminish the obligation of Franchisee and each of the Principals to indemnify Franchisor Franchisee and the Principals expressly agree that the terms of this Article 11 B shall survive the termination of expiration of this Agreement or a Transfer pursuant to Article "15" of this Agreement

Under no circumstances is the Franchisor or any other party indemnified hereunder required or obligated to seek recovery from third parties or otherwise mitigate its losses in order to maintain a claim against Franchisee or any of the Principals Franchisee and each of the Principals agree that Franchisor's failure to pursue recovery or mitigate loss in no way reduces the amounts recoverable from Franchisee or any of the Principals

11 C INDEMNIFICATION BY FRANCHISOR

Franchisor agrees to indemnify and hold Franchisee harmless against, and to reimburse it for, any loss, liability or damage (actual or consequential) and all reasonable costs and expenses of defending any claim brought against Franchisee or any action in which Franchisee is named as a party (including reasonable accountants', attorneys' and expert witness fees, the cost of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses) which Franchisee may suffer,' sustain or incur solely and exclusively by reason of arising from or in connection with the gross negligence of Franchisor (or any of its affiliates) in the operation of Franchisee's Chicken in a Barrel BBQ Restaurant and which was the direct cause of such loss, liability or damage, provided that Franchisee has timely notified Franchisor of such claim or proceeding and has otherwise complied with this Agreement Franchisor shall have the right, at its sole discretion, to defend and/or settle any such claim or action Franchisor expressly agrees that the terms of this Article 11 C shall survive the termination, expiration or transfer of this Agreement

ARTICLE 12
LICENSED MARKS AND SYSTEM

12 A OWNERSHIP AND GOODWILL

Franchisee acknowledges and agrees that Franchisor, subject to any limitations contained herein, is the owner of all right, title and interest in and to the Licensed Marks, the System and the goodwill associated with and symbolized by the Licensed Marks and/or the System Except as specifically provided in this Agreement, Franchisee further acknowledges and agrees that it has no interest whatsoever in or to the Licensed Marks or the System and that Franchisee's right to use the Licensed Marks and the System is derived solely from this Agreement Any unauthorized use of the Licensed Marks and/or the System by Franchisee or any of its affiliates shall constitute an infringement of the rights of Franchisor in and to the Licensed Marks and/or the System Franchisee acknowledges and agrees that all usage of the Licensed Marks and/or the System by Franchisee and any goodwill exclusively benefits Franchisor and does not confer any goodwill or other interests in the Licensed Marks and/or the System other than the right to use the Licensed Marks and the System in the operation of Franchisee s Chicken in a Barrel BBQ Restaurant in compliance with this Agreement Franchisee shall not, at any time during the term of this Agreement or after its termination or expiration, contest the validity or ownership of any of the Licensed Marks and the System, nor will Franchisee assist any other person in contesting the validity or ownership of any of the Licensed Marks or System Neither Franchisee nor any Principal may take any action that prejudices or interferes with the validity of Franchisor's rights with respect to the Licensed Marks and/or the System

12 B USE OF THE LICENSED MARKS

Franchisee agrees that the Licensed Marks shall be the sole identification of Franchisee's Chicken in a Barrel BBQ Restaurant Franchisee must operate and advertise the Store only under the name Chicken in a Barrel BBQ without prefix or suffix Franchisee must not use the Licensed Marks as part of its corporate or other legal name and must not use the Licensed Marks with modifying words, terms, designs or symbols, or in any modified form Franchisee must comply with Franchisor's instructions in filing and maintaining their requisite trade name or fictitious name registrations as may be required by applicable law

12 C NOTIFICATION OF INFRINGEMENT AND CLAIMS

Franchisee must notify Franchisor immediately in writing of any apparent infringement of or challenge to Franchisee's use of any Licensed Mark, the System, or claim by any person of any rights in any Licensed Mark, System feature or component or any similar trade name, trademark or service mark of which Franchisee becomes aware Franchisee must not communicate with any person other than Franchisor and its counsel in connection with any infringement, challenge or claim Franchisor and/or its licensor has sole discretion to take any action it deems appropriate and the right to exclusively control any litigation or administrative proceeding arising out of any infringement, challenge or claim or otherwise relating to any Licensed Mark Franchisee agrees to execute all documents, render assistance and take all actions as may be necessary or advisable to protect and maintain the interests of Franchisor and/or its licensor in any litigation or other administrative proceeding or to otherwise protect and maintain the interests of Franchisor and/or its licensor in the Licensed Marks Franchisor will reimburse Franchisee for reasonable direct expenses incurred by Franchisee in assisting Franchisor in any such litigation or administrative proceeding

12 D DISCONTINUANCE OF USE OF LICENSED MARKS

At any time, in Franchisor's sole discretion, Franchisor deems it advisable for Franchisor and/or Franchisee to modify or discontinue use of any Licensed Mark, and/or use one or more additional or substitute trademarks or service marks, Franchisee agrees to comply within a reasonable time after notice by Franchisor The sole liability and obligation of Franchisor in any event is to reimburse Franchisee for the direct out-of-pocket costs of complying with this obligation, which the Franchisee shall document to the satisfaction of Franchisor, including, by way of example, alterations in signage and replacement of marketing materials At all times Franchisor maintains the exclusive right to supplement, modify and/or alter features and/or components to the System

12 E INDEMNIFICATION OF FRANCHISEE

Franchisor agrees to indemnify Franchisee against, and to reimburse Franchisee for, all damages for which it is held liable in any proceeding brought by a third party in which Franchisee's use of any Licensed Mark is held to constitute trademark infringement, unfair competition, or dilution, and for all costs Franchisee reasonably incurs in the defense of any claim brought against it or in any proceeding in which it is named as a party, provided that Franchisee promptly notifies Franchisor of all claims or proceedings (including, but not limited to, trademark/trade dress infringement notification, cease and desist notifications and similar notifications from third-parties respecting the Licensed Marks), provided that Franchisee has utilized the Licensed Marks in accordance with the terms and conditions of this Agreement and provided that Franchisee has tendered the defense of the claim to Franchisor If Franchisor defends the claim, Franchisor has no obligation to indemnify or reimburse Franchisee with respect to any fees or disbursements of any attorney retained by Franchisee Franchisee understands that in connection with notifying Franchisor as to claims respecting the Licensed Mark that "time is of the essence"

ARTICLE 13
RECORDS AND REPORTS

Franchisee must maintain during the term of this Agreement, and must preserve for at least three (3) years from the dates of their preparation, full, complete and accurate books records and accounts from the Store Said records shall be maintained and preserved in the form and manner if same is prescribed by Franchisor in the Operations Manual or otherwise in writing

Franchisee shall comply with the following reporting obligations

(1) Franchisee shall submit to Franchisor, in the form Franchisor reasonably prescribes, an unaudited monthly profit and loss statement and balance sheet for Franchisee's Chicken in a Barrel BBQ Restaurant within sixty (60) days after the end of each month during the term of this Agreement If Franchisee fails to submit the profit and loss statement and balance sheet within the time period specified in this Article, Franchisor will assess a late fee in the amount of One Hundred Dollars ($100) against Franchisee Payment of said late fee shall not constitute a cure of Franchisees reporting obligations under this Article 13 and shall not relieve Franchisee of its reporting obligations

(2) Franchisee shall provide to Franchisor annual financial statements for Franchisee reviewed by an independent certified public accountant in accordance with GAAP within ninety (90) days after the end of Franchisee's fiscal year Franchisor reserves the right to require such financial statements to be audited by an independent certified public accountant satisfactory to Franchisor at Franchisee's cost and expense The annual financial statements of Franchisee must reconcile Gross Sales per GAAP, to Gross Sales per this Agreement

(3) Franchisee must timely submit to Franchisor, any other forms, reports, records, information and data as Franchisor may reasonably request

ARTICLE 14
INSPECTION AND AUDITS

14 A THE FRANCHISOR'S RIGHT TO INSPECT THE RESTAURANT

Franchisor has the right at any time during business hours, and without prior notice to Franchisee, to inspect Franchisee's Chicken in a Barrel BBQ Restaurant Franchisee must fully cooperate with representatives of Franchisor making any inspection and must permit representatives of Franchisor to take photographs, movies or videotapes of the Store and to interview employees and customers of the Franchisee's Chicken in a Barrel BBQ Restaurant, as long as Franchisee's ability to operate the Store is not materially impeded Franchisee has the right to request and receive copies, within ten (10) days after the inspection, of all reports, transcripts, videotapes, tape recordings, photographs, and films made in the course of the inspection

14 B THE FRANCHISOR'S RIGHT TO EXAMINE BOOKS AND RECORDS

Franchisor has the right at any time during business hours, and without prior notice to Franchisee, to examine or audit, or cause to be examined or audited, the business records, cash control devices, bookkeeping and accounting records, bank statements, sales and income tax records and returns and other books and records of Franchisee's Chicken in a Barrel BBQ Restaurant and the books and records of any legal entity which is the Franchisee Franchisee may maintain all books, records and supporting documents at all times at the Franchisee's Chicken in a Barrel BBQ Restaurant premises or at Franchisee's principal place of business Franchisee must fully cooperate with representatives of Franchisor and independent accountants hired by Franchisor to conduct any examination or audit

ARTICLE 15
TRANSFER OF INTEREST

15 A BY THE FRANCHISOR

Franchisor has the absolute right to transfer and/or assign this Agreement and all or any part of Franchisor's rights or obligations under this Agreement to any person or legal entity without the consent or approval of Franchisee

15 B FRANCHISEE MAY NOT TRANSFER WITHOUT APPROVAL OF THE FRANCHISOR

Franchisee understands, acknowledges and agrees (and hereby represents and warrants that its Principals understand and agree) that the rights and duties set forth in this Agreement are personal to Franchisee and Franchisee's individual Principals Therefore, Franchisee agrees that

(1) No ownership interest of any Principal in Franchisee may be transferred without the prior written consent of Franchisor, and

(2) No obligations, rights or interest of Franchisee in (a) this Agreement, (b) the lease or ownership interest for the premises of Franchisee's Chicken in a Barrel BBQ Restaurant / Franchised Location, (c) the franchise, (d) Franchisee's Chicken in a Barrel BBQ Restaurant or (e) all or substantially all of the assets of Franchisee's Chicken in a Barrel BBQ Restaurant may be Transferred without the prior written consent of Franchisor This restriction shall not prohibit Franchisee from granting a mortgage, charge, lien or security interest in the assets of Franchisee's Chicken in a Barrel BBQ Restaurant or this Agreement for the exclusive purpose of securing financing for the initial development of Franchisee's Chicken in a Barrel BBQ Restaurant Any purported Transfer in violation of this Article shall constitute a breach of this Agreement and shall convey to the transferee no rights or interests in the foregoing

In addition to the foregoing, a Transfer will require the prior written consent of Franchisor where such Transfer occurs by virtue of (a) divorce (b) insolvency, (c) dissolution of a corporation, partnership or limited liability company, (d) will, (e) intestate succession, or (f) declaration of or transfer in trust

15 C CONDITIONS FOR APPROVAL OF TRANSFER

Provided Franchisee and its Principals are in substantial compliance with this Agreement, Franchisor shall not unreasonably withhold its approval of a Transfer The proposed assignee (including the assignees Principal if the proposed assignee is a corporation, partnership or limited liability company) must be of good moral character, have sufficient business experience, aptitude and financial resources to own and operate Franchisee's Chicken in a Barrel BBQ Restaurant and otherwise meet Franchisor's then-applicable standards for franchisees Furthermore, the proposed assignee may not own or operate, or intend to own or operate a Competitive Business Franchisor may require that any one or more of the following conditions be met before, or concurrently with, the effective date of the assignment

(1) Franchisee must provide written notice to Franchisor of the proposed transfer of this Agreement at least thirty (30) days prior to the transaction

(2) All of the accrued monetary obligations of Franchisee or any of its affiliates and all other outstanding obligations to Franchisor or any of its affiliates arising under this Agreement must be satisfied in a timely manner and Franchisee must satisfy all trade accounts and other debts, of whatever nature or kind, in a timely manner

(3) Franchisee and its Principals must not be in material default of any provision or provisions of this Agreement

(4) The transferee shall then be bound by all provisions of this Agreement and the principal(s) and/or owners of the transferee shall personally execute the forms of Guaranty and Joinder attached to this Agreement and shall agree to be bound by each and every term and provision of this Agreement

(5) All obligations of the transferring Principal incurred in connection with this Agreement shall be assumed by the transferee and its individual owners and individual Principals, in a manner satisfactory to Franchisor

(6) The transferor and its owners and Principals must execute a general release in a form satisfactory to Franchisor, releasing Franchisor, Franchisor's affiliates and past and present officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, of any and all claims against Franchisor for matters arising on or before the effective date of the Transfer

(7) If the proposed Transfer is of this Agreement, substantially all of the assets of Franchisee's Chicken in a Barrel BBQ Restaurant, or a controlling interest in Franchisee, or is one of a series of Transfers which in the aggregate Transfers substantially all of the assets of Franchisee's Chicken in a Barrel BBQ Restaurant or a controlling interest in Franchisee, the transferee must execute, (and/or, upon Franchisee's request, shall cause all interested parties to execute) for a term ending on the expiration date of this Agreement, the then-current standard form of franchise agreement being offered to new franchisees of Chicken in a Barrel BBQ Restaurants and other ancillary agreements as Franchisor requires, those agreements will supersede this Agreement and its ancillary documents in all respects and the terms of Franchisor's then-current agreements may differ from the terms in this Agreement, provided that such agreements shall provide for the same royalty fee and Advertising Contributions and expenditures established in this Agreement

(8) Unless Franchisee has met the requirements of Article 8 B within the five (5) year period immediately preceding the transfer, the transferee, at its expense, must renovate, modernize and otherwise upgrade Franchisee's Chicken in a Barrel BBQ Restaurant to conform to the then-current standards and specifications of Franchisor, and must complete the upgrading and other requirements within the time period Franchisor reasonably specifies

(9) The transferor shall remain liable for all the obligations to Franchisor in connection to Franchisee's Chicken in a Barrel BBQ Restaurant incurred before the effective date of the Transfer and must execute any and all instruments Franchisor reasonably requests to evidence that liability

(10) At the transferee's expense, the transferee, the transferee's Principal, Managers and/or any other applicable personnel of Franchisee's Chicken in a Barrel BBQ Restaurant must complete any training programs then in effect for franchisees of Chicken in a Barrel BBQ Restaurants upon terms and conditions Franchisor reasonably requires

(11) Franchisee must pay a transfer fee of Ten Thousand ($10,000 00) Dollars to Franchisor

(12) Franchisor approved the material terms and conditions of the assignment and determines in its reasonable discretion that the price and terms of payment are not so burdensome as to be detrimental to the future operations of the Store by the transferee

(13) Franchisee and any party 'required by Franchisor to execute Confidentiality and Non-Competition Agreement or a Confidentiality Agreement has executed such agreement

(14) Franchisee has entered into an agreement with Franchisor agreeing to subordinate to the transferee's obligations to Franchisor, including any royalty fees and Advertising Contributions, any obligations of assignee to make installment payments of the purchase price to Franchisee

(15) The transferee and transferor acknowledge and agree that Franchisor's approval of the transfer indicates only that the transferee meets or that Franchisor has waived the criteria established by Franchisor for franchisees as of the time of such transfer and that Franchisor's approval thereof does not constitute a warranty or guaranty by Franchisor, express or implied, of the suitability of the terms of sale or of the successful operation or profitability of Franchisee's Chicken in a Barrel BBQ Restaurant

(16) The Transfer must be made in compliance with all applicable laws

(17) The Transfer of Franchisee's Chicken in a Barrel BBQ Restaurant, the lease or the assets of Franchisee s Chicken in a Barrel BBQ Restaurant (other than in connection with the financing of authorized equipment for the such store, the sale of inventory or otherwise in the ordinary course of business), be made only in conjunction with a transfer of this Agreement

Franchisor's consent to a Transfer of any interest that is subject to the restrictions of this Agreement shall not constitute a waiver of any claims it may have against the transferor, nor is it deemed a waiver of Franchisor's right to demand exact compliance with any of the terms or conditions of the Franchise by the transferee

15 D DEATH OR DISABILITY OF PRINCIPAL

(1) Upon the death or permanent disability of Franchisee (or the Managing Principal), the executor, administrator, conservator or other personal representative of that person, or the remaining shareholders, members or partners, must appoint a Principal within a reasonable time, not to exceed thirty (30) days from the date of death or permanent disability The appointed Principal must serve and qualify as Managing Principal and must attend and successfully complete Franchisor's training program within one hundred twenty (120) days of the appointment If Franchisee's Chicken in a Barrel BBQ Restaurant is not being managed by a Franchisor approved Principal within thirty (30) days after death or permanent disability, Franchisor is authorized, but is not required, to immediately appoint a manager to maintain the operations of Franchisee's Chicken in a Barrel BBQ Restaurant for and on behalf of Franchisee until an approved assignee is able to assume the management and operation of such store Franchisor's appointment of a manager of the Store does not relieve Franchisee of its obligations, and Franchisor is not liable for any debts, losses, costs or expenses incurred in the operations of Franchisee's Chicken in a Barrel BBQ Restaurant or to any creditor of Franchisee for any products, materials, supplies or services purchased by the such store during any period in which it is managed by Franchisor's appointed manager Franchisor has the right to charge a reasonable fee for management services and to cease to provide management services at any time

(2) Upon the death of Franchisee (or any Principal), the executor, administrator, conservator or other personal representative of that person must transfer his interest to a person Franchisor approves within a reasonable time, not to exceed twelve (12) months from the date of death

(3) If the Franchisee is an individual, then in the event of the death or permanent disability of the Franchisee, this Agreement may be transferred or bequeathed by the Franchisee to any designated person or beneficiary without the payment of any transfer fee, but the transfer of this Agreement to the transferee or beneficiary of the Franchisee will be subject to the applicable provisions of this Article 15, and will not be valid or effective until Franchisor has received the properly executed legal documents, which its attorneys deem necessary to properly and legally document the transfer or bequest of this Agreement

15 E TRANSFER TO A LEGAL ENTITY

(1) Upon thirty (30) days' prior written notice to Franchisor, the franchise and the assets and liabilities of the Store may be assigned, by an agreement in form and substance Franchisor approves, to a corporation, partnership or limited liability company that conducts no business other than the Franchisee's Chicken in a Barrel BBQ Restaurant (or other Chicken in a Barrel BBQ Restaurants under franchise agreements granted by Franchisor) which is actively managed by Franchisee and in which Franchisee owns and controls not less than fifty-one percent (51%) of the equity interests and voting power Such an assignment does not relieve Franchisee of its obligations, and Franchisee

remains jointly and severally liable for all obligations The organizational documents of any such legal entity must recite that the issuance and assignment of any interest is restricted by the terms of this Agreement and all issued and outstanding certificates representing ownership interests must bear a legend referring to the transfer restrictions of this Agreement There is no fee due to Franchisor in connection with such a transfer

(2) Any person who is or becomes a Principal must execute the Guaranty and the Joinder Franchisee must furnish to Franchisor at any time upon request a certified copy of the organizational documents of Franchisee and a list, in a form Franchisor requires, of all owners of record and all persons having beneficial ownership of equity interests, reflecting their respective interests in Franchisee

15 F PUBLIC OR PRIVATE OFFERINGS

(1) Franchisee acknowledges that the written information used to raise or secure funds can reflect upon Franchisor Franchisee agrees to submit any written information intended to be used for that purpose to Franchisor before its inclusion in any registration statement, prospectus or similar Disclosure Document or memorandum This requirement applies under the following conditions if Franchisee attempts to raise or secure funds by the sale of securities in Franchisee or any affiliate of Franchisee and if any of its owners attempt to raise or secure funds by the sale of securities in Franchisee or any affiliate of Franchisee (including common or preferred stock, bonds, debentures or general or limited partnership interests) Franchisee and its owners agree not to use the written materials to raise or secure funds unless and until Franchisor approves of them Franchisee shall request such approval in writing and such shall state the specific purpose for which the information is to be used Should Franchisor, in its sole discretion, object to any reference to Franchisor or any of its affiliates or any of their businesses in the offering literature or prospectus, the literature or prospectus shall not be used unless and until the objections of Franchisor are withdrawn Franchisor assumes no responsibility for the offering whatsoever Franchisee must pay Franchisor a public offering fee of Six Thousand ($6,000 00) Dollars for the costs to Franchisor to review the information The written consent of Franchisor pursuant to this paragraph does not imply or constitute the approval of Franchisor with respect to the method of financing, the offering literature submitted to Franchisor or any other aspect of the offering

(2) The prospectus or other literature utilized in any offering must contain the following language in bold-face type on the first textual page

"NEITHER CHICKEN IN A BARREL FRANCHISING, LLC NOR ANY OF ITS AFFILIATES IS DIRECTLY OR INDIRECTLY THE ISSUER OF THE SECURITIES OFFERED NEITHER CHICKEN IN A BARREL FRANCHISING, LLC NOR ANY OF ITS AFFILIATES ASSUMES ANY RESPONSIBILITY WITH RESPECT TO THIS OFFERING AND/OR THE ADEQUACY OR ACCURACY OF THE INFORMATION SET FORTH, INCLUDING ANY STATEMENTS MADE WITH RESPECT TO ANY OF THEM NEITHER CHICKEN IN A BARREL FRANCHISING, LLC NOR ANY OF ITS AFFILIATES ENDORSES OR MAKES ANY

RECOMMENDATION WITH RESPECT TO THE INVESTMENT CONTEMPLATED BY THIS OFFERING ”

15 G THE FRANCHISOR’S RIGHT OF FIRST REFUSAL

If Franchisee or any of its Principals shall at any time determine to sell an interest in this Agreement, the franchise, Franchisee’s Chicken in a Barrel BBQ Restaurant, some or all of the assets of Franchisee’s Chicken in a Barrel BBQ Restaurant (other than in the ordinary course of business) or an ownership interest in Franchisee, Franchisee or its Principal(s) shall obtain a bona fide, arms length, executed letter of intent from a qualified, responsible, bona fide and fully disclosed purchaser A true and complete copy of such letter of intent (conditioned on Franchisor's right of first refusal) and any proposed ancillary agreements shall immediately be submitted to Franchisor by Franchisee, such Principal(s) or both The letter of intent must apply only to an interest which is permitted to be transferred under this Agreement and may not include the purchase of any other property or rights of Franchisee (or such Principal(s)) The price and terms of purchase offered to Franchisee (or such Principal(s)) in the letter of intent for the aforementioned interests shall reflect the bona fide price offered therefor and shall not reflect any value for any other property or rights If the purchaser proposes to buy any other property or rights from Franchisee (or such Principal(s)) under a separate, contemporaneous transaction, Franchisee shall submit a true and complete copy of a bona fide, arms length executed letter of intent for that transaction (and any proposed ancillary agreements)

Franchisor shall have the right, exercisable by written notice delivered to Franchisee or such Principal(s) within thirty (30) days from the date of receipt by Franchisor of an exact copy of such letter of intent to purchase such interest for the price and on the terms and conditions contained in such letter of intent, provided that Franchisor's credit shall be deemed equal to the credit of any proposed purchaser, and Franchisor shall have not less than sixty (60) days to prepare for closing If the letter of intent contemplates payment of any or the entire purchase price by a credit instrument of any type, Franchisor shall have the option to use the same payment method at its discretion Regardless of whether contemplated under the letter of intent, Franchisor shall be entitled to all customary representations and warranties given by the seller of a business, including, without limitation, representations and warranties as to (1) ownership, condition and title to the ownership interests and/or assets being purchased, (2) liens and encumbrances relating to such ownership interests and/or assets, and (3) validity of contracts and liabilities, contingent or otherwise, of any legal entity whose ownership interests are purchased

A Transfer of the franchise, Franchisee’s Chicken in a Barrel BBQ Restaurant or an ownership interest in Franchisee to an immediate family member is not subject to Franchisor's right of first refusal For purposes of this Paragraph, an immediate family member is limited to a spouse and/or a living child or living children or living grandchildren

If Franchisor does not exercise its right of first refusal, Franchisee or such Principal(s) may complete the sale to such purchaser pursuant to and on the exact terms of such letter of intent, subject to Franchisor's approval of the transfer, as provided for in this Agreement, provided that if the sale to such purchaser is not completed within one hundred twenty (120) days after receipt of such letter of intent by Franchisor, or if there is a change in the terms of the sale, Franchisor shall have an additional right of first refusal for thirty (30) days as set forth herein on the modified or initial terms and conditions of sale

ARTICLE 16
RENEWAL OF FRANCHISE

16 A FRANCHISEE'S RIGHT TO RENEW

If, upon expiration of the initial term of this Agreement

(1) Franchisee has during the term of this Agreement substantially complied with all its provisions, and

(2) (a) Franchisee maintains possession of and agrees to remodel, refurbish and decorate the premises of Franchisee's Chicken in a Barrel BBQ Restaurant, replace fixtures, furnishings, equipment, signs, and otherwise modify Franchisee's Chicken in a Barrel BBQ Restaurant, in compliance with specifications and standards then applicable for new Chicken in a Barrel BBQ Restaurants, provided that, Franchisee shall not be required to remodel or refurbish Franchisee's Chicken in a Barrel BBQ Restaurant if Franchisee had done so in the five (5) years immediately preceding the effective date of the renewal, or (b) Franchisee is unable to maintain possession of the premises, or in the judgment of Franchisor Franchisee's Chicken in a Barrel BBQ Restaurant should be relocated, and Franchisee secures substitute premises within the Protected Area that does not impede the development, operation and/or Protected Area of any other Chicken in a Barrel BBQ Restaurant and agrees to develop substitute premises in compliance with specifications and standards then applicable for new Chicken in a Barrel BBQ Restaurants, then Franchisee has the right to renew the Franchise for one (1) additional ten (10) year term Franchisee shall pay Franchisor a renewal fee equal to twenty-five percent (25%) of the then-current initial franchise fee charged by Franchisor for new franchisees for Chicken in a Barrel BBQ Restaurants

16 B NOTICE OF RENEWAL AND NONRENEWAL

Franchisee must give Franchisor written notice of Franchisee's election to renew not less than one hundred eighty (180) days before the end of the initial term of this Agreement and Franchisee must meet with all of the conditions of this Agreement before and at the time of renewal

16 C RENEWAL FRANCHISE AGREEMENT

To renew the franchise, Franchisor, Franchisee and the Principals must execute the form of and be bound by the franchise agreement and ancillary agreements Franchisor then customarily uses in the grant of franchises for Chicken in a Barrel BBQ Restaurants at the time of renewal (with appropriate modifications to reflect the fact that the agreement relates to the grant of a renewal franchise) The terms of the renewal franchise agreement may differ from the terms of this Agreement, including, without limitation, requiring a higher advertising contribution and higher royalty fees established in the renewal franchise agreement Without limitation to the foregoing, under no circumstance shall the royalty fees for the first year (and each successive year) of the renewal term be less than the royalty fee(s) payable and due during the last year of the original Term as such royalties are set forth in this Agreement Failure by Franchisee and the Principals to sign the then-current franchise agreement and ancillary agreements within thirty (30) days after delivery to Franchisee shall be deemed an election by Franchisee not to renew the franchise

16 D CONDITIONS FOR RENEWAL

In addition to the conditions and requirements stated above in this Article, all of the following conditions must be met by Franchisee before or at the time of renewal

(1) Franchisee and its Principals must not be in material default of any provision of this Agreement, any amendment or successor agreement, and Franchisee must have substantially and timely complied with all the terms and conditions of all agreements with Franchisor and Franchisor's affiliates

(2) Franchisee must have timely met all monetary obligations owed by Franchisee to Franchisor and its affiliates under this Agreement and any other agreement between Franchisee and any of its affiliates and Franchisor or any of its affiliates throughout the terms of those agreements

(3) Franchisee must present satisfactory, evidence that Franchisee has the right to remain in possession of the Franchised Location / Franchisee's Chicken in a Barrel BBQ Restaurant premises or obtain Franchisor's approval of a new site (within the Protected Area) for the operation of the Franchisee's Chicken in a Barrel BBQ Restaurant for the duration of the renewal term of this Agreement

(4) Based upon an assessment of Franchisee's needs conducted by Franchisor prior to renewal, Franchisee must undertake such additional training, if any, as necessary to comply with Franchisor's then-current training requirements

(5) Franchisee and the Principals must execute the general release, attached hereto as Exhibit "H" releasing Franchisor, its affiliates and their respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants, employees, successors and assigns from any and all claims, including, without limitation, claims arising under this Agreement under federal, state or local laws, rules, regulations, or orders If precluded by law from giving a general release, Franchisee shall execute an estoppel statement

ARTICLE 17
TERMINATION

17 A BY FRANCHISOR

(1) **Automatic Termination** Franchisee shall be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to Franchisee

(a) If Franchisee becomes insolvent, makes a general assignment for the benefit of creditors, files a voluntary petition in bankruptcy, or an involuntary petition in bankruptcy is filed against Franchisee

(b) If a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee,

(c) If a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction,

(d) If Franchisee initiates proceedings for a composition with creditors under any state or federal law, or such a proceeding is initiated against Franchisee,

(e) If a final judgment against Franchisee remains unsatisfied or of record for thirty (30) days or longer (unless a supersedeas bond is filed),

(f) If Franchisee is dissolved,

(g) If execution is levied against Franchisee's business or property,

(h) If suit to foreclose any lien or mortgage against the premises or equipment of Franchisee's Chicken in a Barrel BBQ Restaurant operated hereunder is instituted against Franchisee and not dismissed within sixty (60) days after the summons is served on Franchisee,

(i) If the real or personal property of the Franchisee's Chicken in a Barrel BBQ Restaurant shall be sold after levy thereupon by any sheriff, marshal or law enforcement officer,

(j) Upon expiration of the written notice period for a termination by Franchisor pursuant to Article 17 A(2) of this Agreement, or

(k) Immediately, upon termination by Franchisor pursuant to Article 17 A(3) of this Agreement

(2) **Termination Upon Written Notice** Franchisee shall be in default under this Agreement and all rights granted by this Agreement may be terminated by Franchisor, in Franchisor's sole discretion, effective upon written notice to Franchisee of one or more of the following material breaches of this Agreement

(a) Final conviction of Franchisee or any Principal of a felony, or if Franchisee engages in conduct which, in the reasonable judgment of Franchisor, may adversely affect the goodwill of the Licensed Marks,

(b) If Franchisee or a Principal discloses the contents of the Operations Manual or other Confidential Information in breach of this Agreement,

(c) If there is an immediate threat or danger to public health or safety resulting from the operation of Franchisee's Chicken in a Barrel BBQ Restaurant,

(d) If Franchisee or a Principal has made a material misrepresentation in connection with its application for any Chicken in a Barrel BBQ Restaurant franchise,

(e) If Franchisee (i) abandons, surrenders, transfers control of and/or loses the right to occupy the Franchised Location / the premises of Franchisee's Chicken in a Barrel BBQ Restaurant or (ii) fails to actively operate Franchisee's Chicken in a Barrel BBQ Restaurant,

(f) If Franchisee fails on three (3) or more separate occasions to (i) submit when due financial statements, reports or other data, information or supporting records, (ii) to pay when due the royalty fees (iii) to pay when due Advertising Contributions, (iv) to pay when due amounts for purchases from Franchisor or its affiliates or other payments due to Franchisor, or amounts due to suppliers or vendors approved or designated by Franchisor, and/or (v) otherwise fails to comply with this Agreement, whether or not such failure to comply is corrected after notice is delivered to Franchisee

(g) Suffers cancellation of, or fails to renew or extend the lease for the Franchised Location /premises of Franchisee's Chicken in a Barrel BBQ Restaurant or otherwise fails to maintain possession of the premises of the Franchisee's Chicken in a Barrel BBQ Restaurant,

(h) Franchisee or any Principal purports to effect a Transfer that is restricted under this Agreement without Franchisor's prior written consent and in compliance with this Agreement,

(i) If Franchisee or any of its owners fail to comply with Anti-Terrorism Laws or become listed on the Annex to Executive Order 13244 or

(j) If Franchisee, any affiliate of Franchisee, or any guarantor of Franchisee commits an act of default under any other agreement with or promissory note given to Franchisor or any affiliate of Franchisor, the effect of which is to allow Franchisor or its affiliate to terminate the agreement or accelerate payment under the promissory note

(3) **Termination after cure period** Upon the occurrence of any of the events specified below, Franchisee shall be in default of this Agreement and Franchisor shall have the right to terminate this Agreement upon thirty (30) days written notice to Franchisee, or upon such shorter notice as is specified below, specifying the default of this Agreement which shall constitute good cause for termination and providing Franchisee with thirty

(30) days or a less period as specified below, in which to cure the default giving rise to the good cause for termination Termination shall be effective upon the expiration of the thirty (30) day or less notice period, if Franchisee fails to cure the default It shall be a breach of this Agreement and constitute good cause for termination of this Agreement, if

(a) Franchisee fails to develop, open and operate (on a continuing basis during the Term) Franchisee's Chicken in a Barrel BBQ Restaurant in compliance with the terms and conditions of this Agreement,

(b) Franchisee fails to develop open and operate Franchisee's Chicken in a Barrel BBQ Restaurant on or before the Scheduled Opening Date

(c) Franchisee misappropriates, misuses or makes any unauthorized use of the Licensed Marks, the System or materially impairs the goodwill associated with the Licensed Marks or applies for registration of the Licensed Marks anywhere in the world,

(d) Franchisee fails, refuses or is unable to promptly pay when due any monetary obligation to Franchisor under this Agreement or any other agreement between the parties and Franchisee does not cure such default within ten (10) days following written notice from Franchisor

(e) Franchisee or any of its Principals violates any law, ordinance, rule or regulation of a governmental agency in the connection with the operation of Franchisee's Chicken in a Barrel BBQ Restaurant, and permits the same to go uncorrected after learning thereof,

(f) Franchisee fails to maintain or suffers cancellation of any insurance policy required under this Agreement,

(g) Franchisee or any of its Principals fails to comply with any other provision of this Agreement or any mandatory specification, standard or operating procedure prescribed by Franchisor, or

17 B BY FRANCHISEE

Termination If Franchisee and its Principals are fully complying with each and every term and provision of this Agreement and Franchisor materially breaches substantive and material obligations on the part of Franchisor as set forth and defined in this Agreement, Franchisee may terminate this Agreement in either of the following cases

(a) Franchisor does not correct the breach within thirty (30) days after Franchisee delivers written notice of such breach to Franchisor or

(b) In a case where Franchisor's breach cannot reasonably be cured within thirty (30) days Franchisor fails to furnish Franchisee, within thirty (30) days after Franchisor receives Franchisee's written notice of Franchisor's breach, reasonable evidence of Franchisor's current, continuing and/or planned efforts to correct its breach within a reasonable time

In either case, Franchisee's termination of this Agreement will not take effect unless the thirty (30) day period mentioned above has passed and Franchisee provides Franchisor a separate written notice of termination The termination date must be at least ten (10) days after Franchisor's receipt of Franchisee's notice of termination Franchisee's termination of this Agreement for any reason other than set forth herein or without notice will be deemed a termination by Franchisee without cause

To induce Franchisor to enter into this Agreement Franchisee and Franchisees Principals hereby acknowledge and agree that if Franchisee terminates this Agreement pursuant to this Article 17 B that Franchisee and Franchisee's Principals shall nevertheless comply with and be bound by all of the post-term obligations and restrictions set forth in Article 18 of this Agreement

17 C OTHER REMEDIES

In the event of Franchisee's breach of any provision of this Agreement, Franchisor may, in Franchisor's sole discretion and in addition to, or in lieu of, exercising its termination rights described above, take all or any of the following actions without providing Franchisee advance notice or an opportunity to cure the breach before such action is taken

(1) Franchisor may temporarily or permanently suspend any existing credit arrangements or accommodations previously extended to Franchisee, and/or refrain from offering or making available to Franchisee any credit arrangements or accommodations that may be offered or made available to other System franchisees,

(2) Franchisor may modify payment terms for approved products or other merchandise purchased by Franchisee (which may include, without limitation, requiring cash on delivery),

(3) Franchisor may disqualify Franchisee from being eligible for, or from participating in, special promotion programs that may be offered or made available to other System franchisees,

(4) Franchisor may refrain from providing or making available to Franchisee promotional materials or other materials developed by the Brand Development Fund,

(5) Franchisor may require payment of the Noncompliance Fee Said fee shall be payable and due within fourteen (14) days of the date of invoice

ARTICLE 18
OBLIGATIONS UPON TERMINATION OR EXPIRATION

18 A PAYMENT OF AMOUNTS OWED TO FRANCHISOR

Without limitation as to any other Article or provision of this Agreement, upon expiration or termination (for any reason) of this Agreement, Franchisee shall immediately pay to Franchisor all Royalty Fees, Advertising Contributions, amounts owed for products purchased by Franchisee from Franchisor or from its affiliate, and interest due Franchisor or its affiliates on any of the foregoing Franchisee must contemporaneously with payment furnish a complete accounting of all amounts owed to Franchisor and its affiliates

18 B LICENSED MARKS AND COPYRIGHTED WORKS

Upon expiration or termination of this Agreement

(1) Franchisee shall immediately, pursuant to the terms of this Agreement, cease to operate Franchisee's Chicken in a Barrel BBQ Restaurant under this Agreement and must not thereafter, directly or indirectly, hold itself out as a present or former franchisee of Franchisor,

(2) Franchisee shall immediately and permanently cease to (a) use, in any manner whatsoever, any confidential materials, methods, computer software, procedures and techniques associated with Chicken in a Barrel BBQ Restaurants, (b) communicate with or order products from approved suppliers, (c) use the Licensed Marks and distinctive features or designs associated with Chicken in a Barrel BBQ Restaurants, and (d) use the features or components of the System,

(3) Franchisee must, at its expense, immediately make modifications or alterations as are necessary to clearly distinguish Franchisee's Chicken in a Barrel BBQ Restaurant from its former appearance and other Chicken in a Barrel BBQ Restaurants to prevent any possibility of confusion by the public (including removal of all distinctive physical and structural features identifying Chicken in a Barrel BBQ Restaurants and removal of all distinctive signs and emblems) Franchisee must, at its expense, make specific additional changes as Franchisor reasonably requests for this purpose If Franchisee fails to initiate immediately or complete alterations within the period of time Franchisor deems appropriate, Franchisee agrees that, Franchisor or its designated agents may enter the premises of Franchisee's former Chicken in a Barrel BBQ Restaurant and adjacent areas at any time to make alterations, at Franchisee's sole risk and expense Franchisee expressly acknowledges that its failure to make alterations will cause irreparable injury to Franchisor and consents to entry, at Franchisee's expense, of any ex-parte order by any court of competent jurisdiction authorizing Franchisor or its agents to take action if Franchisor seeks such an order

(4) Franchisee must take any action required to cancel all fictitious or assumed names or equivalent registrations relating to any of the Licensed Marks

(5) Franchisee shall notify the telephone company and all listing agencies of the termination or expiration of Franchisee's right to use any telephone number and any regular, classified or other telephone directory listings associated with the Licensed Marks and to authorize transfer of same to or at the direction of Franchisor Franchisee acknowledges that as between Franchisor and Franchisee, Franchisor has the sole right to and interest in all telephone numbers and directory listings associated with the Licensed Marks, and Franchisee authorizes Franchisor, and appoints Franchisor and any officer of Franchisor as his attorney-in-fact, to direct the telephone company and all listing agencies to transfer same to Franchisor or at its direction, should Franchisee fail or refuse to do so, and the relevant telephone company and all listing agencies may accept this direction or this Agreement as conclusive of the exclusive right of Franchisor in telephone numbers and directory listings and its authority to direct their transfer, and Franchisee shall furnish to Franchisor within thirty (30) days after the effective date of termination or expiration evidence satisfactory to Franchisor of Franchisee's compliance with the foregoing obligations

18 C CONFIDENTIAL INFORMATION

Upon expiration or termination of this Agreement, Franchisee shall immediately deliver to Franchisor the Operations Manual, software licensed by Franchisor, and all Confidential Information related to operating Franchisee's Chicken in a Barrel BBQ Restaurant and refrain from using the Confidential Information in any business or otherwise

18 D CONTINUING OBLIGATIONS

All obligations of Franchisor and Franchisee under this Agreement which expressly or by their nature are to survive or are intended to survive the termination of this Agreement or expiration of this Agreement shall continue in full force and effect subsequent to and notwithstanding this Agreements termination or expiration until such obligations are satisfied in full or by the nature and/or terms of such obligation(s) expire

18 E POST-TERM COVENANT NOT TO COMPETE

Upon expiration or termination of this Agreement, by either Franchisor or Franchisee, neither Franchisee, its affiliates, nor any Principal nor any member of the immediate family of Franchisee or any Principal, shall directly or indirectly for a period of thirty-six (36) months commencing on the effective date of such termination, assignment or expiration, or the date on which Franchisee ceases to operate Franchisee's Chicken in a Barrel BBQ Restaurant, whichever is later

(1) Have any interest (legal, equitable or otherwise) as a disclosed or beneficial owner in any Competitive Business located anywhere in the United States,

(2) Have any interest (legal, equitable or otherwise) as a disclosed or beneficial owner in any restaurant that is operating at the premises formerly occupied by Franchisee's Chicken in a Barrel BBQ Restaurant

(3) Perform services as a director, officer, manager, employee, consultant, representative, agent, or otherwise for any Competitive Business located anywhere in the United States, and

(4) Perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for any restaurant that is operating at the premises formerly occupied by Franchisee's Chicken in a Barrel BBQ Restaurant

(5) Divert or attempt to divert any business or any customers of any Chicken in a Barrel BBQ Restaurant(s) to any Competitive Business, or

(6) Employ or seek to employ, any person who is employed by Franchisor, Franchisor's affiliates or any developer or franchisee of Chicken in a Barrel BBQ Restaurants, nor induce, nor attempt to induce any such person to leave said employment without the prior written consent of such person's employer

Franchisee and Franchisor further expressly acknowledge and agree that (i) the commencement and expiration of the time period and duration of the restrictive covenants imposed by this Article 18 E shall be tolled for all periods of time during which Franchisee and/or Franchisee's Principals are not in compliance with the covenants of this Article 18 E and for any other period during which Franchisor seeks to enforce this Agreement, (ii) if any court of competent jurisdiction determines that the geographic limits, time period or line of business for which the covenants of this Article 18 E relate is unreasonable, Franchisor and Franchisee agree that such a court of competent jurisdiction may determine an appropriate limitation to accomplish the intent and purpose of this Article 18 and Franchisor and Franchisee each agree to be bound by such determination, and (iii) the restrictions of Subparagraph 18 E (1) of this Article shall not be applicable to and shall exclude the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market and quoted on a national inter-dealer quotation system that represent less than three percent (3%) of the number of shares of that class of securities issued and outstanding

ARTICLE 19
FRANCHISOR'S OPTION TO PURCHASE

If the Franchise Agreement shall be terminated by Franchisor or shall expire, Franchisor or its assignee shall have the option, exercisable by giving written notice thereof within sixty (60) days from the date of such expiration or termination, to purchase from Franchisee all the assets used in Franchisee's Chicken in a Barrel BBQ Restaurant As used in this Paragraph, "assets" shall mean and include, without limitation, leasehold improvements, equipment, computer hardware, furnishings, fixtures, signs, inventory, materials, and supplies and the lease or sublease for Franchisee's Chicken in a Barrel BBQ Restaurant If Franchisee, any of its Principals or any of their affiliates, owns the real estate pertaining to the premises of Franchisee's Chicken in a Barrel BBQ Restaurant, Franchisor and Franchisee shall (and, if applicable, Franchisee or Principal shall cause such affiliate to) enter into a purchase agreement for such real estate on reasonable terms and conditions that are commercially reasonable in light of the location and condition of the premises and other relevant circumstances The purchase price for the real estate shall be the then current fair market value If the parties cannot agree on a fair market value within a reasonable time, an independent appraiser shall be designated by Franchisor, and his determination of the fair market value shall be binding If Franchisor elects to exercise such option to purchase, it shall have the right to set off against and reduce the purchase price by any and all amounts owed by Franchisee to Franchisor, or its affiliates, the amount of any liabilities assumed by Franchisor and the cost of the appraisal, if any Franchisor shall have the unrestricted right to assign this option to purchase Franchisor or its assignee shall be entitled to all customary warranties and representations given by the seller of a business including, without limitation, representations and warranties as to (1) ownership, condition and title to assets, (2) liens and encumbrances relating to the assets, and (3) validity of contracts and liabilities, inuring to Franchisor or affecting the assets, contingent or otherwise

The purchase price for the assets of Franchisee's Chicken in a Barrel BBQ Restaurant shall be the product of the earnings before interest, taxes, depreciation and amortization (EBITDA) of Franchisee's Chicken in a Barrel BBQ Restaurant for the twelve (12) month period ending ten (10) days immediately preceding the closing date, multiplied by one and three quarters (1 75) Franchisor shall have the right to set off against and reduce the purchase price by any and all amounts owed by Franchisee to Franchisor, the amount of any liabilities assumed by Franchisor, and the amount necessary to modify or replace any assets so that the Restaurant meets Franchisor's then-current standards and specifications for Chicken in a Barrel BBQ Restaurants

The purchase price shall be paid in cash at the closing of the purchase, which shall take place no later than ninety (90) days after receipt by Franchisee of notice of exercise of this option to purchase, at which time Franchisee shall deliver instruments transferring to Franchisor or its assignee (i) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to Franchisor or its assignee), with all sales and other transfer taxes paid by Franchisee, (ii) all licenses and permits of the Store which may be assigned or transferred, and (iii) the lease or sublease for the premises In the event that Franchisee cannot deliver clear title to all of the purchased assets as aforesaid, or in the event there shall be other unresolved issues, the closing of the sale shall be accomplished through an escrow Further, Franchisee and Franchisor shall, prior to closing, comply with all applicable legal requirements, including the bulk sales provisions of the Uniform Commercial Code of the state in which Franchisee's Chicken in a Barrel BBQ Restaurant is located and the bulk sales provisions of any applicable tax laws and regulations Franchisee shall, prior to or simultaneously with the closing of the purchase, pay all tax liabilities incurred in connection with the operation of Franchisee's Chicken in a Barrel BBQ Restaurant

If Franchisor or its assignee exercises (at Franchisor s and/or Franchisor's assignees sole option) this option to purchase, pending the closing of such purchase as hereinabove provided, Franchisor shall have the right to appoint a manager to maintain the operation of Franchisee's Chicken in a Barrel BBQ Restaurant, in which case Franchisee shall continue to operate the Franchisee's Chicken in a Barrel BBQ Restaurant on the terms of this Agreement until the closing of the purchase Alternatively, Franchisor may require Franchisee to close Franchisee's Chicken in a Barrel BBQ Restaurant during such time period without removing any assets from Franchisee's Chicken in a Barrel BBQ Restaurant Franchisee shall maintain in force all insurance policies required pursuant to this Agreement, through the date of closing If the premises of Franchisee's Chicken in a Barrel BBQ Restaurant are leased, Franchisor agrees to use reasonable efforts to effect a termination of the existing lease for the premises and enter into a new lease on reasonable terms with the landlord In the event Franchisor is unable to enter into a new lease and Franchisee's rights under the lease for the premises are assigned to Franchisor or Franchisor subleases the premises from Franchisee, Franchisor will indemnify and hold Franchisee harmless from any ongoing liability under the lease from the date Franchisor assumes possession of the premises

ARTICLE 20
ENFORCEMENT AND CONSTRUCTION

20 A SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS

(1) Except as expressly provided to the contrary in this Agreement, each Article, paragraph, term and provision of this Agreement, is considered severable If for any reason, any portion of this Agreement is held in a final, non-appealable ruling issued by any court, agency or other governmental authority having competent jurisdiction in a proceeding to which Franchisor is a party to be invalid, contrary to, or in conflict with any applicable present or future law or regulation, that ruling shall not impair the operation of, or have any other effect upon, other portions of this Agreement as may remain otherwise intelligible The surviving portions of this Agreement shall continue to be given full force and effect and bind the parties to this Agreement Any portion of this Agreement held to be invalid shall be deemed not to be a part of this Agreement from the date the time for appeal expires, if Franchisee is a party, otherwise upon Franchisee's receipt of a notice of non-enforcement from Franchisor

(2) If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of this Agreement than is required in this Agreement, or the taking of some other action not required, 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 Franchisor prescribes is invalid or unenforceable, the prior notice and/or other action required by law or rule shall be substituted for the comparable provisions, and Franchisor has the right, in its sole discretion, to modify the invalid or unenforceable provision, specification, standard or operating procedure to the extent required to be valid and enforceable Franchisee agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is prescribed within the terms of any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions, or any specification, standard or operating procedure Franchisor prescribes, any portion or portions thereof which a court may hold to be unenforceable in a final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with a court order Modifications to this Agreement shall be effective only in that jurisdiction, unless Franchisor elects to give them greater applicability, and this Agreement shall be enforced as originally made and entered into in all other jurisdictions

20 B WAIVER OF OBLIGATIONS

No delay, waiver, omission or forbearance on the part of Franchisor to exercise any right, option, duty or power arising out of any breach or default by Franchisee under this Agreement constitutes a waiver by Franchisor to enforce any right against Franchisee or as to any subsequent breach or default by Franchisee Acceptance by Franchisor of any payments due to it after the time at which the payment is due is not deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any provisions of this Agreement Franchisor shall not be deemed to have waived or impaired any right reserved by this Agreement (including the right to demand exact compliance with every provision, or to declare any breach to be a default and to terminate this Agreement before the expiration of its term) by virtue of any custom or practice of the parties at variance with the terms of this Agreement, or by any failure, refusal or neglect of Franchisor to exercise any right under this Agreement or to insist upon exact compliance by the Franchisee with its obligations, including any mandatory specification, standard or operating procedure If an interest rate required hereunder exceeds the lawful interest rate allowed by the laws of the relevant jurisdiction, then the interest rate will be adjusted to conform to the highest legal rate allowable by applicable law

20 C FORCE MAJEURE

Neither Franchisor nor Franchisee 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 (1) transportation shortages, or inadequate supply of labor, supplies, material or energy (2) acts of God, (3) acts or omissions of the other party, (4) fires, strikes, embargoes, war or riot, or (5) any other similar event or cause Any delay resulting from any of these causes shall extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that said cause shall not excuse payment of amounts owed at the time of such occurrence or thereafter and as soon as possible the non-performing party shall immediately resume performance and, in no event, shall non-performance be excused for more than six (6) months

20 D SPECIFIC PERFORMANCE / INJUNCTIVE RELIEF

Nothing in this Agreement bars Franchisor's right to obtain specific performance of the provisions of this Agreement and injunctive relief under legal and/or equity rules against threatened conduct that will cause damages or loss to it, the Licensed Marks or the System Franchisee agrees that Franchisor may obtain such injunctive relief in addition to such further or other relief as may be available at law or in equity Franchisee agrees that Franchisor will not be required to post a bond to obtain injunctive relief and that Franchisee's only remedy if an injunction is entered against Franchisee will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction is hereby expressly waived by Franchisee) Without limitation to the foregoing Franchisee further acknowledges and agrees that in the event of a breach of this Agreement by Franchisee respecting and/or concerning the System and/or the Licensed Marks shall cause irreparable harm to Franchisor, the System and the Licensed Marks

20 E RIGHTS OF PARTIES ARE CUMULATIVE

The rights of Franchisor and Franchisee under this Agreement are cumulative and no exercise or enforcement by a party of any right or remedy precludes the exercise or enforcement by that party of any other right or remedy which Franchisor or Franchisee is entitled by law to enforce

20 F GOVERNING LAW

EXCEPT TO THE EXTENT GOVERENED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U S C §§ 1051 *ET SEQ*) OR OTHER FEDERAL LAW, THIS AGREEMENT AND THE RELATIONSHIP BETWEEN THE PARTIES HERETO SHALL BE GOVERENED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF HAWAII, EXCEPT THAT ITS CHOICE OF LAW AND CONFLICTS OF LAWS RULES SHALL NOT APPLY AND ANY FRANCHISE REGISTRATION, DISCLOSURE, RELATIONSHIP OR SIMILAR STATUTE WHICH MAY BE ADOPTED BY THE STATE OF HAWAII SHALL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS PARAGRAPH

20 G EXCLUSIVE JURISDICTION

FRANCHISEE AGREES THAT FRANCHISEE SHALL, AND FRANCHISOR MAY, AT ITS OPTION, INSTITUTE ANY ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT EXCLUSIVELY IN THE CIRCUIT COURT OF HAWAII, KAUAI COUNTY, THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF HAWAII OR THE FEDERAL DISTRICT COURT NEAREST TO FRANCHISOR'S HEADQUARTERS AT THE TIME THE ACTION IS FILED FRANCHISEE IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT AND WAIVES ANY OBJECTION IT MAY HAVE TO EITHER THE JURISDICTION OR VENUE OF ANY SUCH COURT

20 H VARIANCES

FRANCHISEE ACKNOWLEDGES THAT FRANCHISOR HAS AND MAY AT DIFFERENT TIMES, IN FRANCHISOR'S ABSOLUTE AND SOLE DISCRETION, APPROVE EXCEPTIONS OR CHANGES FROM THE UNIFORM STANDARDS OF THE SYSTEM, WHICH FRANCHISOR DEEMS DESIRABLE OR NECESSARY UNDER PARTICULAR CIRCUMSTANCES FRANCHISEE UNDERSTANDS THAT IT HAS NO RIGHT TO OBJECT TO OR AUTOMATICALLY OBTAIN SUCH VARIANCES, AND ANY EXCEPTION OR CHANGE MUST BE APPROVED IN ADVANCE BY FRANCHISOR IN WRITING FRANCHISEE UNDERSTANDS THAT EXISTING FRANCHISEES MAY OPERATE UNDER DIFFERENT FORMS OF AGREEMENTS AND THAT THE RIGHTS AND OBLIGATIONS OF EXISTING FRANCHISEES MAY DIFFER MATERIALLY FROM THIS AGREEMENT

20 I LIMITATIONS OF CLAIMS

EXCEPT FOR CLAIMS BROUGHT BY FRANCHISOR WITH REGARD TO FRANCHISEE'S OBLIGATIONS TO MAKE PAYMENTS TO FRANCHISOR AND TO INDEMNIFY FRANCHISOR PURSUANT TO THIS AGREEMENT, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RELATIONSHIP OF FRANCHISEE AND FRANCHISOR PURSUANT TO THIS AGREEMENT SHALL BE BARRED UNLESS AN ACTION IS COMMENCED WITHIN (1) TWO (2) YEARS FROM THE DATE ON WHICH THE ACT OR EVENT GIVING RISE TO THE CLAIM OCCURRED, OR (2) ONE (1) YEAR FROM THE DATE ON WHICH FRANCHISEE OR FRANCHISOR KNEW OR SHOULD HAVE KNOWN, IN THE EXERCISE OF REASONABLE DILIGENCE, OF THE FACTS GIVING RISE TO SUCH CLAIMS, WHICHEVER OCCURS FIRST

20 J WAIVER OF PUNITIVE DAMAGES

FRANCHISOR AND FRANCHISEE HEREBY WAIVE TO THE FULLEST PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, CONSEQUENTAL OR SPECULATIVE DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM, EXCEPT AS OTHERWISE PROVIDED HEREIN, EACH SHALL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED BY IT, PROVIDED THAT SUCH WAIVER SHALL NOT APPLY TO ANY CLAIM (A) ALLOWED FRANCHISOR OR FRANCHISEE FOR ATTORNEY'S FEES OR COSTS AND EXPENSES UNDER THIS AGREEMENT, AND/OR (B) FOR LOST PROFITS BY FRANCHISOR OR FRANCHISEE AND THE OWNERS UPON OR ARISING OUT OF THE TERMINATION OF THIS AGREEMENT NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, IF ANY OTHER TERM OF THIS AGREEMENT IS FOUND OR DETERMINED TO BE UNCONSCIONABLE OR UNENFORCEABLE FOR ANY REASON, THE FOREGOING PROVISIONS OF WAIVER BY AGREEMENT OF PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR OTHER SIMILAR DAMAGES SHALL CONTINUE IN FULL FORCE AND EFFECT

20 K WAIVER OF JURY TRIAL

FRANCHISOR AND FRANCHISEE HEREBY IRREVOCABLY WAIVE TRIAL BY JURY ON ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM

20 L BINDING EFFECT

This Agreement is binding upon the parties of this Agreement and their respective executors administrators, heirs, assigns and successors in interest, and shall not be modified except by written agreement signed by both Franchisee and Franchisor

20 M COMPLETE AGREEMENT

This Agreement, the documents referred to in this Agreement and the Appendix and Exhibits to this Agreement, together with the Operations Manual, constitute the entire, full and complete Agreement between Franchisor and Franchisee concerning the subject matter of this Agreement and supersedes all prior related agreements between Franchisor and Franchisee Notwithstanding the foregoing, the disclosure documentation (as registered with certain states, required by federal law or otherwise and provided to Franchisee or its representative) shall not be deemed to constitute a part of this Agreement nor as a separate, binding agreement concerning the subject matter hereof Nothing in the Agreement is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you

20 N ATTORNEY FEES AND EXPENSES

Franchisee hereby acknowledges and agrees that in the event that a Court of competent jurisdiction shall issue a judgment, decision and/or order finding, holding and/or declaring Franchisees breach of this Agreement than Franchisor shall be entitled to the recovery of all reasonable attorney fees, costs and expenses associated with and/or related to such litigation Said fees, costs and expenses shall include, but not be limited to, attorney fees, deposition expenses, expert witness fees and filing fees

20 O INDIVIDUAL DISPUTE RESOLUTION – NO CLASS ACTION OR MULTI PARTY ACTIONS

Any legal action between or among Franchisor and Franchisee, the parties to this Agreement and/or parties related to this Agreement including, but not limited to, each and every Principal, shall be conducted on an individual basis and not on a consolidated or class-wide basis

20 P ACCEPTANCE BY CHICKEN IN A BARREL FRANCHISING, LLC

This Agreement will not be binding on Franchisor unless and until an authorized officer of Franchisor has signed it

20 Q OPPORTUNITY FOR REVIEW BY FRANCHISEE'S ADVISORS

Franchisee acknowledges and represents that prior to the signing of this Agreement that Franchisor recommended and that Franchisee had the opportunity to have this Agreement and the Franchise Disclosure Document reviewed by Franchisee's lawyer, accountant and other business advisors

20 R NO PERSONAL LIABILITY BY FRANCHISOR'S EMPLOYEES, OFFICERS AND/OR AUTHORIZED AGENTS

Franchisee acknowledges and agrees that the fulfillment of any of Franchisor's obligations written in this Agreement or based on any oral communications ruled to be binding in a court of law shall be Franchisor's sole obligation and none of Franchisor's employees, officers and/or authorized agents shall be personally liable to Franchisee for any reason

20 S NON-UNIFORM AGREEMENTS

Franchisee acknowledges that Franchisor makes no representations or warranties that all other agreements with Chicken In A Barrel Franchising, LLC franchisees entered into before or after the Effective Date do or will contain terms substantially similar to those contained in this Agreement Franchisee acknowledges and agrees that Franchisor may waive or modify comparable provisions of other franchise agreements to other System franchisees in a non-uniform manner

ARTICLE 21
NOTICES AND PAYMENTS

All written notices and reports permitted or required to be delivered by the provisions of this Agreement or of the Operations Manual shall be deemed so delivered at the time delivered by hand, one (1) business day after being placed in the hands of a national commercial courier service for overnight delivery (properly addressed and with tracking confirmation), or three (3) business days after placed in the U S mail by Registered or Certified Mail, 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 Reports requiring delivery shall be delivered by U S mail The addresses for the parties set forth in the initial paragraph of this Agreement shall be used unless and until a different address has been designated by written notice to the other party

In all cases where Franchisor's prior approval is required and no other method or timing for obtaining such approval is prescribed, Franchisee shall request such approval in writing, and Franchisor shall respond within ten (10) business days after receiving Franchisee's written request and all supporting documentation, provided if Franchisor does not respond, such request will be deemed disapproved Franchisor's consent to or approval of any act or request by Franchisee shall be effective only to the extent specifically stated, and shall not be deemed to waive or render unnecessary consent or approval of any other subsequent similar act or request

ARTICLE 22
MISCELLANEOUS

A Except as otherwise expressly provided, nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity who is not a party to this Agreement

B The headings of the several Articles and paragraphs are for convenience only and do not define, limit or construe the contents of Articles or paragraphs

C Time is of the essence of this Agreement

D The "Franchisee" as used in this Agreement is applicable to one of more persons, a corporation, a partnership or limited liability company as the case may be, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine If two (2) or more persons are at any time Franchisee under this Agreement, their obligations and liabilities to Franchisor shall be joint and several

This Agreement shall be executed in multiple copies, each of which shall be deemed an original

IN WITNESS WHEREOF, the parties have executed, sealed and delivered this Agreement in duplicate on the date recited in the first paragraph

FRANCHISOR	**FRANCHISEE**
Chicken In A Barrel Franchising, LLC	(If FRANCHISEE is a corporation)
________________________	________________________
	Name of Corporation
By ______________________	By ______________________
Title ______________________	Title ______________________

If Franchisee is an individual / individuals then Franchisee must sign below By signing below, the undersigned individuals do hereby acknowledge that they individually, jointly and severally execute this Franchise Agreement as the Franchisee

________________________	________________________
[Individual Name], Individually	[Individual Name], Individually

Chicken in a Barrel BBQ Franchise Agreement

APPENDIX 1
Protected Area

The "Protected Area', as such term is identified and defined in the Franchise Agreement, including, but not limited to Article 1 of the Franchise Agreement, is identified, as follows

[IF LEFT INCOMPLETE THERE SHALL BE NO EXCLUSIVE TERRITORY]

[IF LEFT INCOMPLETE THERE SHALL BE NO EXCLUSIVE TERRITORY]

Franchisor
Chicken In A Barrel Franchising, LLC

By ____________________

Title ____________________

Franchisee

By ____________________

Title ____________________

Chicken in a Barrel BBQ Franchise Agreement

APPENDIX 2

Guaranty and Assumption of Obligations

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS IS GIVEN THIS ____ day of _________, 20___, by ______________________________

______________________________________ (hereinafter, individually, jointly and severally referred to as the "Guarantor") In consideration of, and as an inducement to, the execution of that certain Franchise Agreement of even date (the "Agreement") by and between __________________ (the "Franchisee) and Chicken In A Barrel Franchising, LLC, (the "Franchisor"), the undersigned individual hereby personally and unconditionally (a) guarantees to Franchisor, and Franchisor's successor and assigns, that Franchisee shall punctually pay and perform each and every undertaking, agreement, covenant and obligation set forth in the Agreement, and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement both monetary obligations and obligations to take or refrain from taking specific action or to engage or refrain from engaging in specific activities Without limitation to the foregoing, the undersigned hereby guarantees the performance of each and every term and provision of the Agreement, including, but not limited to, the payment of royalties Without limitation to the foregoing, the undersigned does hereby acknowledge and agree that he or she is expressly and individually bound by all of the provisions of the Agreement, including the confidentiality provisions of Article 6, the payment and fee obligations of Article 5, the restrictive non-compete covenants of Article 18 E and the restrictive non-compete covenants of Article 7

Each of the undersigned waives (1) acceptance and notice of acceptance by Franchisor of the foregoing undertakings, (2) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed, (3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed, (4) any right he may have to require that an action be brought against Franchisee or any other person as a condition of liability Each of the undersigned consents and agrees that (1) his direct and immediate liability under this guaranty shall be joint and several, (2) he shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so, (3) liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person, and (4) liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may grant to Franchisee or to any other person, including the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable during the term of the Agreement

Each of the undersigned Guarantors represents and warrants that by signing the Guaranty (a) the financial statements and other financial information that Guarantor submitted to Franchisor identify the separate property of Guarantor and any marital property (community property) against which Franchisor may enforce its rights under this Guaranty and do not include any separate property of Guarantor's spouse against which Franchisor may not enforce this Guaranty, (b) if no signature appears below for such Guarantor's spouse, such Guarantor is either not married or, if married, is a resident of a state which does not require the consent of both spouses to encumber the assets of a marital estate (e g , community property), and (c) if Guarantor's spouse signs below to indicate his/her consent to the Guarantor giving such Guaranty, then such consent also serves to bind the assets of the marital estate to Guarantor's performance of this Guaranty

Guarantor hereby consents and agrees that-

(1) Guarantor's liability under this undertaking shall be direct, immediate, and independent of the liability of, and shall be joint and several with, Franchisee and the other parties who may be held liable for Franchisee's performance of this Agreement,

(2) Guarantor shall render any payment or performance required under the Franchise Agreement upon demand if Franchisee fails or refuses punctually to do so,

(3) This undertaking will continue unchanged by the occurrence of any bankruptcy with respect to Franchisee or any assignee or successor of Franchisee or by any abandonment of the Franchise Agreement by a trustee of Franchisee Neither the Guarantor's obligations to make payment or render performance in accordance with the terms of this undertaking nor any remedy for enforcement shall be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of Franchisee or its estate in bankruptcy or of any remedy for enforcement, resulting from the operation of any present or future provision of the U S Bankruptcy Act or other statute, or from the decision of any court or agency,

(4) Franchisor may proceed against Guarantor and Franchisee jointly and severally, or Franchisor may, at its option, proceed against Guarantor, without having commenced any action, or having obtained any judgment against Franchisee Guarantor hereby waives the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness or the performance of any obligation hereby guaranteed, and

(5) Guarantor agrees to pay all reasonable attorneys' fees and all costs and other expenses incurred in any collection or attempt to collect amounts due pursuant to this undertaking or any negotiations relative to the obligations hereby guaranteed or in enforcing this undertaking against Guarantor

(6) This Guaranty shall bind the heirs, personal representatives, successors and assigns of Guarantor, unless otherwise prohibited by law, and shall inure to the benefit of all transferees, assignees, and/or endorsees of Franchisor, notwithstanding that some or all of the monies owed by Guarantor pursuant to this Guaranty may be actually advanced after any bankruptcy, receivership, reorganization or death of Guarantor

IN WITNESS WHEREOF, each of the undersigned has affixed his signature on the same day and year as the Agreement was executed

GUARANTOR(S)	PERCENTAGE OWNERSHIP IN FRANCHISEE
Signature ____________________	____________________________
Name ______________________	
Signature ____________________	____________________________
Name ______________________	
Signature ____________________	____________________________
Name ______________________	

The undersigned, as the spouse of the Guarantor indicated below, acknowledges and consents to the guaranty given herein by his/her spouse Such consent also serves to bind the assets of the marital estate to Guarantor's performance of this Guaranty

____________________________ Name of Guarantor	____________________________ Name of Guarantor
____________________________ Name of Guarantor's Spouse	____________________________ Name of Guarantor's Spouse
____________________________ Signature of Guarantor's Spouse	____________________________ Signature of Guarantor's Spouse
____________________________ Name of Guarantor	____________________________ Name of Guarantor
____________________________ Name of Guarantor's Spouse	____________________________ Name of Guarantor's Spouse
____________________________ Signature of Guarantor's Spouse	____________________________ Signature of Guarantor's Spouse

Chicken in a Barrel BBQ Franchise Agreement

APPENDIX 3

Joinder

In consideration of and as a condition to the grant by Chicken In A Barrel Franchising, LLC, as Franchisor to ________________, as Franchisee of the rights set forth in the "Chicken in a Barrel BBQ Franchise Agreement", the undersigned individuals and Principals do hereby agree to be individually, jointly and severally bound by and to each and every term, provision, covenant and obligation set forth in said "Chicken in a Barrel BBQ Franchise Agreement"

Signature ________________________ Signature ________________________

Name ___________________________ Name ___________________________

Signature ________________________ Signature ________________________

Name ___________________________ Name ___________________________

Chicken in a Barrel BBQ Franchise Agreement

Exhibit A

Franchisee Acknowledgments and Representations

1 Franchisee acknowledges that it has read the Franchise Agreement (the "Agreement") between Chicken In A Barrel Franchising, LLC ("Franchisor") and Franchisee dated as of the same date hereof and Franchisor's Franchise Disclosure Document in their entirety and that it understands and accepts the terms, conditions, and covenants contained in the Agreement as being reasonably necessary to maintain Franchisor's high standards of quality and service at Chicken in a Barrel BBQ Restaurants and to protect and preserve the goodwill of the Licensed Marks (Capitalized terms not defined herein shall have the respective meanings set forth in the Agreement) Franchisee acknowledges that Franchisor delivered and Franchisee received a copy of Franchisor's Franchise Disclosure Document at the earlier of (i) Franchisee's first personal meeting with Franchisor or (ii) fourteen (14) days prior to the execution of the Agreement or the payment of any consideration by Franchisee in connection with the transaction contemplated in the Agreement, and (b) Franchisor delivered and Franchisee received the Agreement in form for execution at least seven (7) business days prior to the execution of the Agreement

2 Franchisee acknowledges that restaurant businesses are highly competitive within a highly competitive industry, with often changing market conditions and many new competitors Franchisee acknowledges that it has conducted an independent investigation of the business venture contemplated by the Agreement and recognizes that, like any other business, the nature of the business conducted by Chicken in a Barrel BBQ Restaurants may change over time, that an investment in a Chicken in a Barrel BBQ Restaurant involves business risks and that the success of the venture is largely dependent upon the business abilities and efforts of Franchisee

3 Franchisee acknowledges that, except as expressly set forth in Franchisor's Franchise Disclosure Document

(a) Neither Franchisor nor any officer, director, employee, agent, representative or affiliate thereof has made any representations or statements of actual, average, projected or forecasted sales, profits, earnings, cash flow or costs with respect to any Chicken in a Barrel BBQ Restaurants,

(b) Neither Franchisor's sales personnel nor any employee, officer, director, agent, representative or affiliate of the Franchisor is authorized to make any claims or statements as to the sales, profits, earnings, cash flow, costs or prospects or chances of success that any area developer or franchisee can expect or that present or past franchisees have had and

(c) Franchisor specifically instructs its sales personnel, employees, officers, directors, agents, representatives and affiliates that they are not permitted to make such claims or statements as to the sales, profits, earnings, cash flow, costs or the prospects or chances of success, nor are they authorized to represent or estimate amounts of sales, profits, earnings, cash flow, costs or other measures as to any aspect of the operation of Chicken in a Barrel BBQ Restaurants

Franchisor recommends that applicants for Chicken in a Barrel BBQ Restaurants make their own investigation and determine whether or not Chicken in a Barrel BBQ Restaurants are profitable Franchisor will not be bound by any unauthorized representations as to Franchisee's sales, profits, earnings, cash flow, costs or prospects or chances of success Franchisee acknowledges that it has not received or relied on any representations about the Franchise by Franchisor, or its sales personnel, employees, officers, directors, agents, representatives or affiliates that are contrary and/or in addition to the statements made in Franchisor's Franchise Disclosure Document or to the terms of the Agreement Franchisor recommends that each applicant for a Chicken in a Barrel BBQ Restaurant franchise consult with an attorney of its choosing and further be represented by legal counsel at the time of its closing and Franchisee acknowledges that it has had ample opportunity to consult with legal counsel and other professional advisors

4 Franchisee hereby acknowledges and agrees that Franchisor's approval of the premises for Franchisee's Chicken in a Barrel BBQ Restaurant does not constitute an assurance, representation or warranty of any kind, express or implied, as to the suitability of the premises for a Chicken in a Barrel BBQ Restaurant, or the successful operation or profitability of Chicken in a Barrel BBQ Restaurants operated at the premises Franchisor's issuance of a no objection acknowledgment of the premises' indicates only that Franchisor believes that the premises falls within acceptable minimum criteria established by Franchisor solely for Franchisor's purposes at the time of the approval thereof Both Franchisee and Franchisor acknowledge that application of criteria that have been effective with respect to other sites may not be predictive of potential for all sites and that, subsequent to Franchisor's approval of the premises, demographic and/or economic factors, such as competition from other similar businesses, included in or excluded from Franchisor's criteria could change, thereby altering the potential of the premises Such factors are unpredictable and are beyond Franchisor's control Franchisor shall not be responsible for the failure of the premises to meet Franchisee's expectations Franchisee further acknowledges and agrees that its acceptance of a franchise for the operation of the Franchisee's Chicken in a Barrel BBQ Restaurant at the premises is based on its own independent investigation of the suitability of the premises

5 Franchisee acknowledges that in all of Franchisor's dealings with Franchisee, the officers, directors, employees, and agents of Franchisor act only in a representative capacity and not in an individual capacity Franchisee further acknowledges that the Agreement, and all business dealings between Franchisee and such individuals as a result of the Agreement, are solely between Franchisee and Franchisor Furthermore, Franchisee represents to Franchisor, as an inducement to its entry into the Agreement, that neither Franchisee nor its owners have made any misrepresentations in obtaining the franchise

6 If Franchisee is a legal entity, Franchisee

(a) Represents that that it is duly organized and validly existing in good standing under the laws of the jurisdiction of its organization, is qualified to do business in all jurisdictions in which its business activities or the nature of properties owned by

Franchisee requires such qualification, and has the authority to execute and deliver the Agreement and perform all of Franchisee's obligations under the Agreement, and

(b) Agrees that all certificates representing ownership interests in Franchisee now outstanding or hereafter issued will be endorsed with a legend in form approved by Franchisor stating that the transfer of ownership interests in Franchisee is subject to restrictions contained in the Agreement

7 Franchisee represents and warrants that neither Franchisee nor any of its owners or affiliates is subject to any restriction, agreement, contract, commitment, law, judgment or decree which would prohibit or be breached or violated by Franchisee's execution and delivery of the Agreement or performance of its obligations thereunder At Franchisor's request, Franchisee shall furnish an opinion of counsel to Franchisor in form and substance satisfactory to Franchisor, to the effect that the agreement is a valid and binding Agreement of Franchisee, enforceable against Franchisee in accordance with its terms, and that ran chi see is not subject to any restriction, agreement, law, judgment or decree which would prohibit or be violated by Franchisee's execution and delivery of the Agreement and performance of its obligations thereunder

8 Franchisee further represents and warrants that all owners of Franchisee and their interests therein are completely and accurately listed in Exhibit D to the Agreement and covenants that Franchisee will make execute and deliver to Franchisor such revisions thereto as may be necessary during the term of the franchise to reflect any
changes in the information contained therein

9 Franchisee represents and warrants that its domicile is as set forth below

____

Address City and State

10 [Maryland State Notice] All representations requiring prospective franchisees to assent to a release, estoppel, or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law

Franchisee

____

By ______________________

Print Name ______________________

Title ______________________

Chicken in a Barrel BBQ Franchise Agreement

Exhibit B

Confidentiality and Non-Competition Agreement

This agreement (the "Agreement") is made and entered into as of this ___ day of ___________, ____, by and among Franchisee, Covenantor and Chicken In A Barrel Franchising, LLC, a Hawaii limited liability company with a place of business located at 5015 Emmalani Dr , Princeville, HI 96722 ("Franchisor")

"Franchisee" ____

____

"Covenantor" ________________________________, Covenantor does hereby represent to Franchisor that Covenantor is [a Principal as defined in the Franchise Agreement] [an employee of Franchisee who will have access to Confidential Information] or [a director of Franchisee] and that Covenantor does hereby execute and sign this Agreement in his or her own individual capacity

Covenantor's Address ____

____

____

1 RECITATIONS AND PURPOSE

Franchisor has executed or intends to execute a Franchise Agreement with Franchisee under which Franchisor grants to Franchisee certain rights with regard to a Chicken in a Barrel BBQ Restaurant (the "Franchise Agreement") Before allowing Covenantor to have access to the Confidential Information and as a material term of the Franchise Agreement necessary to protect Franchisor's Confidential Information used in the operation of Franchisee's Chicken in a Barrel BBQ Restaurant (the "Restaurant") and Franchisor's proprietary rights in and Franchisee's right to use the Confidential Information, Franchisor and Franchisee require that Covenantor enter into this Agreement To induce Franchisor to enter into the Franchise Agreement and/or to avoid a material breach thereof Franchisor, Franchisee and Covenantor desire and consider it to be in Covenantor's best interests that Covenantor enter into this Agreement Franchisee understands that any use or disclosure of the Confidential Information other than in accordance with this Agreement will cause Franchisor and Franchisee substantial harm Covenantor acknowledges that Covenantor is entering into this Agreement in his or her own individual capacity and to induce Franchisor to enter into the Franchise Agreement with Franchisee

2 DEFINITIONS

Certain terms that are capitalized in this Agreement are defined in this Article or at the places they first appear If a term is not defined in this Agreement then the meaning of such term shall be determined in accordance with the terms of the Franchise Agreement The parties acknowledge that they have read the Franchise Agreement and agree to the defined terms as same are set forth in the Franchise Agreement unless otherwise modified or defined in this Agreement

(a) "Competitive Business" means and includes any restaurant business that is the same as or similar to a Chicken in a Barrel BBQ Restaurant including any business and/or restaurant (including traditional restaurants and outlets and mobile kiosks, food trucks and non-traditional outlets) that offers, sells and/or provides menu items that include barbecue and/or smoked chicken, ribs, beef and/or pork

(b) 'Confidential Information" means certain confidential and proprietary information and trade secrets including but not limited to the following categories of information, methods, procedures and knowledge developed or to be developed by Franchisor, its affiliates and/or franchisees and developers of Chicken in a Barrel BBQ Restaurants (i) methods, equipment, specifications, standards, recipes, policies, procedures, information, concepts and systems relating to and knowledge of and experience in the development, operation and franchising of Chicken in a Barrel BBQ Restaurants, (ii) marketing and promotional programs for Chicken in a Barrel BBQ Restaurants, (iii) information concerning consumer preferences for services, products, materials and supplies used or sold by, and specifications for and knowledge of suppliers of certain materials, equipment and fixtures used and/or sold by Chicken in a Barrel BBQ Restaurants, (iv) ingredients, recipes, sources of supply, storage and service of products offered and sold at Chicken in a Barrel BBQ Restaurants (v) information concerning customers, customer lists, email lists, database lists, product sales, operating results, financial performance and other financial data of Chicken in a Barrel BBQ Restaurants, (vi) the Franchisor's Operations Manual, and (vii) information concerning consumer preferences and inventory requirements for products, materials and supplies used and sold by, and specifications for and knowledge of suppliers of certain materials, equipment and fixtures used and sold by Chicken in a Barrel BBQ Restaurants

(c) "Immediate Family" means the spouse of a person and any other member of the household of such person, including, without limitation, children of such person

(d) "Permitted Competitive Business" means the business described as follows

NONE	NONE

(e) "Principal" includes, collectively, individually and jointly (i) the current and/or former officers and directors of Franchisee (including the officers and directors of any general partner of Franchisee) who hold or had held an ownership interest in Franchisee, (ii) the current and/or former managing member or managers if Franchisee is a limited liability company, (iii) all current and/or former holders of ownership interests, directly or indirectly, of five percent (5%) or more in Franchisee and of any entity directly or indirectly controlling Franchisee, and (iv) the current and/or former Managing Principal(s)

(f) "Termination Event" means and refers to any one of the following events, occurrences and/or actions that is the first to occur (i) Termination of the Franchise Agreement by Franchisee, (ii) Termination of the Franchise Agreement as a result of a default by Franchisee, (iii) Lawful termination of the Franchise Agreement by Franchisor (iv) Franchisee's assignment of the Franchise Agreement, (v) Expiration of the Franchise Agreement without renewal, (vi) Covenantor's resignation, abandonment, transfer assignment, loss and/or relinquishment of Covenantor's rights, status and/or title (whether legal, equitable or otherwise) as a Principal of Franchisee, (vii) Covenantor's resignation, abandonment, transfer, assignment, loss and/or relinquishment of Covenantor's rights, status and/or title (whether legal, equitable or otherwise) as an officer, director, shareholder, manager and/or member of Franchisee, and/or (viii) if Covenantor, at all times, was exclusively an employee and not a Principal of Franchisee then Covenantor's resignation abandonment and/or termination of Covenantor's status as an employee of Franchisee who will have access to the Confidential Information

3 <u>PROTECTION OF CONFIDENTIAL INFORMATION</u>

Covenantor agrees to use the Confidential Information only to the extent reasonably necessary to perform his or her duties on behalf of Franchisee taking into consideration the confidential nature of the Confidential Information Covenantor may disclose the Confidential Information only as agent for Franchisee Covenantor acknowledges and agrees that Covenantor will not acquire any interest in or right to use the Confidential Information under this Agreement or otherwise other than the right to utilize it as authorized in this Agreement and that the unauthorized use or duplication of the Confidential Information in connection with any other business or any other way would be detrimental to Franchisor and Franchisee Unauthorized use or duplication would constitute a breach of Covenantor's obligations of confidentiality and an unfair method of competition with Franchisor, Franchisee and/or other Chicken in a Barrel BBQ Restaurants owned by Franchisor's affiliates or its franchisees

Covenantor acknowledges and agrees that the Confidential Information is confidential to and a valuable asset of Franchisor The Confidential Information will be disclosed to Covenantor solely on the condition that Covenantor agrees to the terms and conditions of this Agreement Covenantor therefore agrees that during the term of the Franchise Agreement and thereafter, he or she (i) will not use the Confidential Information in any other business or capacity, (ii) will maintain the absolute confidentiality of the Confidential Information, (iii) will not make unauthorized copies of any portion of the Confidential Information disclosed or recorded in written or other tangible form, and (iv) will adopt and implement all reasonable procedures prescribed from time to time by Franchisor and Franchisee to prevent unauthorized use or disclosure of or access to the Confidential Information

Notwithstanding anything to the contrary contained in this Agreement the restrictions on Covenantor's disclosure and use of the Confidential Information shall not apply to the following (i) information, methods, procedures and knowledge which are or become generally known or easily accessible other than by Covenantor's breach of an obligation of confidentiality, and (ii) the disclosure of the Confidential Information pursuant to applicable law or in judicial or administrative proceedings to the extent that Covenantor is legally compelled or required by a regulatory body to disclose such information, provided Covenantor has notified Franchisor and Franchisee prior to disclosure and shall have used his or her best efforts to obtain, and shall have afforded Franchisor and Franchisee the opportunity to obtain, an appropriate assurance reasonably satisfactory to Franchisor of confidential treatment for the information required to be so disclosed

4 <u>IN-TERM RESTRICTIVE COVENANT</u>

Covenantor acknowledges and agrees that Franchisor and Franchisee would be unable to protect the Confidential Information against unauthorized use or disclosure and Franchisor would be unable to achieve a free exchange of ideas and information among Chicken in a Barrel BBQ Restaurants if persons authorized to use the Confidential Information were permitted to engage in, have ownership interests in or perform services for Competitive Businesses Covenantor therefore agrees that for as long as Covenantor is (a) a Principal or director of Franchisee, or (b) an employee of Franchisee who will have access to Confidential Information, Covenantor shall not directly or indirectly, through members of Covenantor's Immediate Family or otherwise

> (a) Have any interest as a disclosed or beneficial owner in any Competitive Business, or
>
> (b) Perform services as a director, officer, manager, employee, consultant, representative, agent, or otherwise for any Competitive Business, or
>
> (c) Divert or attempt to divert any business or any customer of any Chicken in a Barrel BBQ Restaurant to any Competitive Business or Permitted Competitive Business, provided that Covenantor may otherwise advertise and operate the Permitted Competitive Businesses in the ordinary course, or
>
> (d) Employ or seek to employ any person who is employed by Franchisor its Affiliates or any developer or franchisee of Franchisor nor induce nor attempt to induce any such person to leave said employment without the prior written consent of such person's employer

Notwithstanding the foregoing, nothing contained herein shall prohibit a member of the Immediate Family of Covenantor from being employed by a Competitive Business at a level below that of a manager The restrictions of clause (a) of this Article will not be applicable to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market that represent less than three percent (3%) of the number of shares of that class of securities issued and outstanding

5 <u>RESTRICTIVE COVENANT UPON TERMINATION OR EXPIRATION OF THE FRANCHISE AGREEMENT OR COVENANTOR'S ASSOCIATION WITH FRANCHISEE</u>

Covenantor agrees that for a period of thirty-six (36) months commencing on the effective date of a Termination Event (with said restrictive covenant time period accruing when Covenantor first begins to continuously comply with the restrictive covenant obligations set forth in this Agreement and with said restrictive covenant time period being tolled during any period of noncompliance), Covenantor shall not directly or indirectly through members of Covenantor's Immediate Family or otherwise

(a) Have any interest (legal, equitable or otherwise) as a disclosed or beneficial owner in any Competitive Business located anywhere in the United States,

(b) Have any interest (legal, equitable or otherwise) as a disclosed or beneficial owner in any restaurant that is operating at the premises formerly occupied by Franchisee's Chicken in a Barrel BBQ Restaurant,

(c) Perform services as a director, officer, manager, employee, consultant, representative, agent, or otherwise for any Competitive Business located anywhere in the United States,

(d) Perform services as a director, officer, manager, employee, consultant, representative, agent, or otherwise for any restaurant that is operating at the premises formerly occupied by Franchisee's Chicken in a Barrel BBQ Restaurant,

(e) Divert or attempt to divert any business or any customers of any Chicken in a Barrel BBQ Restaurant(s) to any Competitive Business or Permitted Competitive Business provided that Covenantor may otherwise advertise and operate the Permitted Competitive Business in its ordinary course, or

(f) Employ or seek to employ, any person who is employed by Franchisor, Franchisor's affiliates or any developer or franchisee of Chicken in a Barrel BBQ Restaurants, nor induce, nor attempt to induce any such person to leave said employment without the prior written consent of such person's employer

Notwithstanding the foregoing, nothing contained herein shall prohibit a member of the Immediate Family of Covenantor from being employed by a Competitive Business at a level below that of a Chicken in a Barrel BBQ Restaurant manager The restrictions of clause (a) of this Article will not be applicable to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market that represent less than three percent (3%) of the number of shares of that class of securities issued and outstanding

Covenantor recognizes the broad scope of the restrictive covenants set forth in Articles 4 and 5 of this Agreement, but agrees that they are reasonable If any court or tribunal of competent jurisdiction shall refuse to enforce any such covenant because it is more extensive whether as to time limit, geographic area, scope of business or otherwise than is deemed reasonable, it is expressly understood and agreed that such covenants shall not be void, but that the restrictions contained therein shall be deemed reduced to the extent necessary to permit the enforcement of such covenants

Covenantor expressly acknowledges and agrees that Covenantor possesses skills and abilities of a general nature and has opportunities for exploiting such skills Consequently enforcement of the covenants made in Articles 4 and 5 of this Agreement will not deprive Covenantor of the ability to earn a living

6 <u>SURRENDER OF DOCUMENTS</u>

Covenantor agrees that as of the effective date of a Termination Event Covenantor shall immediately cease to use the Confidential Information disclosed to or otherwise learned or acquired by Covenantor and return to Franchisee or to Franchisor if directed by Franchisor all copies of the Confidential Information loaned or made available to Covenantor

7 <u>COSTS AND ATTORNEYS' FEES</u>

In the event that Franchisor or Franchisee is required to enforce this Agreement in an action against Covenantor, covenantor shall reimburse Franchisor and/or Franchisee if it/they prevail (whether or not awarded a money judgment) for its/their reasonable attorneys' fees, whether such fees are incurred before, during or after any trial or administrative proceeding or on appeal

8 <u>WAIVER</u>

Failure to insist upon strict compliance with any of the terms, covenants or conditions hereof shall not be deemed a waiver of such term, covenant or condition No waiver of any single breach will be deemed to be a waiver of any other or subsequent breach No failure on the part of any party hereto to exercise, and no delay in exercising, any right hereunder will operate as a waiver thereof, nor will any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right

9 <u>SEVERABILITY</u>

Each provision of this Agreement and any portion thereof shall be considered severable and if for any reason any such provision is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency or tribunal with competent jurisdiction in a proceeding to which Franchisor is a party, that ruling shall not impair the operation of or have any other effect upon such other portions of this Agreement as may remain otherwise intelligible Such other portions shall continue to be given full force and effect and bind the parties hereto Any portion held to be invalid shall be deemed not to be a part of this Agreement from the date the time for appeal expires if Covenantor is a party thereto or upon Covenantor's receipt of a notice from Franchisor that it will not enforce the provision in question

10 <u>RIGHTS OF PARTIES ARE CUMULATIVE</u>

The rights of the parties hereunder are cumulative and no exercise or enforcement by a party hereto of any right or remedy granted hereunder shall preclude the exercise or enforcement by them of any other right or remedy hereunder or which they are entitled by law to enforce

11 BENEFIT

This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns In the event Franchisor does not execute this Agreement (regardless of the reason) Franchisor shall be deemed a third party beneficiary of this Agreement and shall have the right to enforce this Agreement directly

12 EFECTIVENESS

This Agreement shall be enforceable and effective when signed by Covenantor regardless of whether and when Franchisor or Franchisee signs this Agreement

13 GOVERNING LAW/CONSENT TO JURISDICTION

This Agreement and the relationship between the parties hereto shall be construed and governed in accordance with the internal laws of the State of Hawaii without regard to its conflict of laws principles Covenantor and Franchisee agree that they shall institute and that Franchisor may institute any action against any of the parties hereto in the Circuit Court of Hawaii, Kauai County, the United States District Court for the District of Hawaii or the Federal District Court nearest to Franchisor's headquarters at the time the action is filed Covenantor and Franchisee irrevocably submit to the jurisdiction of such courts and waive any objections to either the jurisdiction or venue of such court

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in multiple counterparts as of the day and year first above written

Individual Covenantor

____
Print name of Covenantor

____
Signature of Covenantor

Franchisor
Chicken In A Barrel Franchising, LLC

By __________________________

Title ________________________

Franchisee

____
Print name of Franchisee

By ________________________

Print Name __________________

Title ______________________

Exhibit C

Confidentiality Agreement

This agreement (the “Agreement”) is made and entered into as of this ____ day of __________, _____, by and among Franchisee, Covenantor and Chicken In A Barrel Franchising, LLC a Hawaii limited liability company (“Franchisor”)

“Franchisee” ____

“Covenantor ’ ______________________________, Covenantor does hereby represent to Franchisor that Covenantor is [an employee of Franchisee who will have access to Confidential Information] or [a director of Franchisee] and that Covenantor does hereby execute and sign this Agreement in his or her own individual capacity

Covenantor’s Address ____

____

____

1 RECITATIONS AND PURPOSE

Franchisor has executed or intends to execute a Franchise Agreement with Franchisee under which Franchisor grants to Franchisee certain rights with regard to a Chicken in a Barrel BBQ Restaurant (the "Franchise Agreement") Before allowing Covenantor to have access to the Confidential Information and as a material term of the Franchise Agreement necessary to protect Franchisor's Confidential Information used in the operation of Franchisee’s Chicken in a Barrel BBQ Restaurant (the "Store") and Franchisor's proprietary rights in and Franchisee's right to use the Confidential Information Franchisor and Franchisee require that Covenantor enter into this Agreement

To induce Franchisor to enter into the Franchise Agreement and/or to avoid a material breach thereof Franchisor Franchisee and Covenantor desire and consider it to be in Covenantor's best interests that Covenantor enter into this Agreement Franchisee understands that any use or disclosure of the Confidential Information other than in accordance with this Agreement will cause Franchisor and Franchisee substantial harm

2 DEFINITIONS

Certain terms that are capitalized in this Agreement are defined in this Article or at the places they first appear

The term “Confidential Information” means certain confidential and proprietary information and trade secrets including but not limited to the following categories of information, methods, procedures and knowledge developed or to be developed by Franchisor, its affiliates and/or franchisees and developers of Chicken in a Barrel BBQ Restaurants (i) methods, equipment, specifications, recipes, standards, policies, procedures, information, concepts and systems relating to and knowledge of and experience in the development, operation and franchising of Chicken in a Barrel BBQ Restaurants, (ii) marketing and promotional programs for Chicken in a Barrel BBQ Restaurants, (iii) information concerning consumer preferences for services, products, materials and supplies used or sold by, and specifications for and knowledge of suppliers of certain materials, equipment and fixtures used and/or sold by Chicken in a Barrel BBQ Restaurants, (iv) ingredients, recipes, sources of supply, storage and service of products offered and sold at Chicken in a Barrel BBQ Restaurants, (v) information concerning customers, customer lists, email lists, database lists, product sales, operating results, financial performance and other financial data of Chicken in a Barrel BBQ Restaurants, (vi) the Franchisor’s Operations Manual, and (vii) information concerning consumer preferences and inventory requirements for products, materials and supplies used and sold by, and specifications for and knowledge of suppliers of certain materials, equipment and fixtures used and sold by Chicken in a Barrel BBQ Restaurants

3 PROTECTION OF CONFIDENTIAL INFORMATION

Covenantor agrees to use Covenantor agrees to use the Confidential Information only to the extent reasonably necessary to perform his or her duties on behalf of Franchisee taking into consideration the confidential nature of the Confidential Information Covenantor may disclose the Confidential Information only as agent for Franchisee Covenantor acknowledges and agrees that Covenantor will not acquire any interest in or right to use the Confidential Information under this Agreement or otherwise other than the right to utilize it as authorized in this Agreement and that the unauthorized use or duplication of the Confidential Information in connection with any other business or any other way would be detrimental to Franchisor and Franchisee Unauthorized use or duplication would constitute a breach of Covenantor’s obligations of confidentiality and an unfair method of competition with Franchisor, Franchisee and/or other Chicken in a Barrel BBQ Restaurants owned by Franchisor's affiliates or its franchisees

Covenantor acknowledges and agrees that the Confidential Information is confidential to and a valuable asset of Franchisor The Confidential Information will be disclosed to Covenantor solely on the condition that Covenantor agrees to the terms and conditions of this Agreement Covenantor therefore agrees that during the term of the Franchise Agreement and thereafter, he or she (i) will not use the Confidential Information in any other business or capacity, (ii) will maintain the absolute confidentiality of the Confidential Information, (iii) will not make unauthorized copies of any portion of the Confidential Information disclosed or recorded in written or other tangible form, and (iv) will adopt and implement all reasonable procedures prescribed from time to time by Franchisor and Franchisee to prevent unauthorized use or disclosure of or access to the Confidential Information

Notwithstanding anything to the contrary contained in this Agreement the restrictions on Covenantor's disclosure and use of the Confidential Information shall not apply to the following

(i) information, methods, procedures and knowledge which are or become generally known or easily accessible other than by Covenantor's breach of an obligation of confidentiality, and (ii) the disclosure of the Confidential Information pursuant to applicable law or in judicial or administrative proceedings to the extent that Covenantor is legally compelled or required by a regulatory body to disclose such information, provided Covenantor has notified Franchisor and Franchisee prior to disclosure and shall have used his or her best efforts to obtain, and shall have afforded Franchisor and Franchisee the opportunity to obtain, an appropriate assurance reasonably satisfactory to Franchisor of confidential treatment for the information required to be so disclosed

4 <u>SURRENDER OF DOCUMENTS</u>

Covenantor agrees that as of the effective date of a Termination Event Covenantor shall immediately cease to use the Confidential Information disclosed to or otherwise learned or acquired by Covenantor and return to Franchisee or to Franchisor if directed by Franchisor all copies of the Confidential Information loaned or made available to Covenantor

5 <u>COSTS AND ATTORNEYS' FEES</u>

In the event that Franchisor or Franchisee is required to enforce this Agreement in an action against Covenantor, covenantor shall reimburse Franchisor and/or Franchisee if it/they prevail (whether or not awarded a money judgment) for its/their reasonable attorneys' fees, whether such fees are incurred before, during or after any trial or administrative proceeding or on appeal

6 <u>WAIVER</u>

Failure to insist upon strict compliance with any of the terms, covenants or conditions hereof shall not be deemed a waiver of such term, covenant or condition No waiver of any single breach will be deemed to be a waiver of any other or subsequent breach No failure on the part of any party hereto to exercise, and no delay in exercising, any right hereunder will operate as a waiver thereof, nor will any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right

7 <u>SEVERABILITY</u>

Each provision of this Agreement and any portion thereof shall be considered severable and if for any reason any such provision is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency or tribunal with competent jurisdiction in a proceeding to which Franchisor is a party, that ruling shall not impair the operation of or have any other effect upon such other portions of this Agreement as may remain otherwise intelligible Such other portions shall continue to be given full force and effect and bind the parties hereto Any portion held to be invalid shall be deemed not to be a part of this Agreement from the date the time for appeal expires if Covenantor is a party thereto or upon Covenantor's receipt of a notice from Franchisor that it will not enforce the provision in question

8 RIGHTS OF PARTIES ARE CUMULATIVE

The rights of the parties hereunder are cumulative and no exercise or enforcement by a party hereto of any right or remedy granted hereunder shall preclude the exercise or enforcement by them of any other right or remedy hereunder or which they are entitled by law to enforce

9 BENEFIT

This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns In the event Franchisor does not execute this Agreement (regardless of the reason) Franchisor shall be deemed a third party beneficiary of this Agreement and shall have the right to enforce this Agreement directly

10 EFECTIVENESS

This Agreement shall be enforceable and effective when signed by Covenantor regardless of whether and when Franchisor or Franchisee signs this Agreement

11 GOVERNING LAW/CONSENT TO JURISDICTION

This Agreement and the relationship between the parties hereto shall be construed and governed in accordance with the internal laws of the State of Hawaii without regard to its conflict of laws principles Covenantor and Franchisee agree that they shall institute and that Franchisor may institute any action against any of the parties hereto in the Circuit Court of Hawaii, Kauai County, the United States District Court for the District of Hawaii or the Federal District Court nearest to Franchisor's headquarters at the time the action is filed Covenantor and Franchisee irrevocably submit to the jurisdiction of such courts and waive any objections to either the jurisdiction or venue of such court

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in multiple counterparts as of the day and year first above written

COVENANTOR

____
Print name of Covenantor

____
Signature of Covenantor

FRANCHISOR
Chicken In A Barrel Franchising, LLC

By ___________________________

Print Name ____________________
Title _________________________

FRANCHISEE

____
Print name of Franchisee

By ___________________________

Print Name ____________________

Title _________________________

Chicken in a Barrel BBQ Franchise Agreement

Exhibit D
Statement of Ownership Interests
and Franchisee's Principals

1 The Following is a list of all Principals who are shareholders, partners, member, or other investors in Franchisee, including all investors who own or hold a direct or indirect interest in Franchisee, and a description of the nature of their interest

Name	Percentage of Ownership and Nature of Interest

2 The following is a list of all Principals described in and designated pursuant to the Franchise Agreement

Name

The "Managing Principal" (as such term is defined in the Franchise Agreement) is

Name	Percentage of Ownership Interest

Chicken in a Barrel BBQ Franchise Agreement

Exhibit E

Pre-Opening Documentation

Under the Franchise Agreement, Franchisee is obligated under certain circumstances to provide Franchisor with specific documents before Franchisee opens Franchisee's Chicken in a Barrel BBQ Restaurant Without limitation to the obligations set forth in the Franchise Agreement, the chart below identifies some of the documents Franchisee must provide to Franchisor and when Franchisee must provide them

Required Document	When Franchisee must provide document to Franchisor
Lease or purchase agreement for the premises of Franchisee's Chicken in a Barrel BBQ Restaurant for review by Franchisor as to potential issuance of a no objection letter	Prior to signing the lease or purchase agreement and, if written no objection letter issued by Franchisor, a copy of the executed lease or purchase agreement within 15 days after execution
Lease Rider	With executed lease
Franchise Fee	At the same time as the execution of Franchise Agreement
Confidentiality and Non-Competition Agreement	Upon Franchisor's request
Confidentiality Agreement	Upon Franchisor's request
Guaranty and Assumption of Obligations	At the same time as the execution of Franchise Agreement
Insurance Certificate	No later than Franchisee's commencement of employee training

Chicken in a Barrel BBQ Franchise Agreement

Exhibit F
Franchisee Restaurant Location Acknowledgment

Pursuant to and in accordance with the terms and provisions of the Franchise Agreement dated ______________ by and between Chicken In A Barrel Franchising, LLC, as Franchisor and ______________________________, as Franchisee, the undersigned Franchisee hereby acknowledges that Franchisee's Chicken in a Barrel BBQ Restaurant Location, also known as the Franchised Location, subject to the terms of the Franchise Agreement (including, but not limited to, Article 2 A), shall be

Franchisor does not object to such location and, as such, the foregoing location shall constitute the Franchisee's Chicken in a Barrel BBQ Restaurant Location / Franchised Location as such terms are defined in the Franchise Agreement

Further Franchisee and Franchisor here by acknowledge

1 Franchisee's Chicken in a Barrel BBQ Restaurant shall be established as a

[STATE WHETHER THE LOCATION WILL BE A FULL SERVICE CHICKEN IN A BARREL BBQ RESTAURANT OR A CHICKEN IN A BARREL BBQ ROADSIDE EXPRESS]

2 Appendix 1 to the Franchise Agreement has been updated to identify Franchisee's "Protected Area

In the event of any conflict between this Franchisee Restaurant Location Acknowledgment and the Franchise Agreement, the terms and provisions of the Franchise Agreement shall take precedence and govern

Franchisor Chicken In A Barrel Franchising, LLC	Franchisee
By ______________________	By ______________________
Title ______________________	Title ______________________

Exhibit G
Site Selection Area Acknowledgment

**(THIS IS NOT A PROTECTED TERRITORY
AND IS NOT A PROTECTED AREA OR EXCLUSIVE AREA)**

If Franchisee's Chicken in a Barrel BBQ Restaurant Location is not known as of the date of this Agreement, During the limited Site Selection Period, Franchisor will not license others to operate a franchised Chicken in a Barrel BBQ Restaurant within the Site Selection Area identified in this "Site Selection Area Acknowledgment"

Pursuant to and in accordance with the terms and provisions of the Franchise Agreement dated ______________ by and between Chicken In A Barrel Franchising, LLC, as Franchisor and ____________________________, as Franchisee, the undersigned Franchisee hereby acknowledges that during the limited ninety (90) day Site Selection Period, the Site Selection Area, shall include the following geographic territory

FRANCHISEE ACKNOWLEDGES THAT THE SITE SELECTION AREA IS NOT THE SAME AS THE PROTECTED AREA' THAT MAY OR MAY NOT BE GRANTED TO FRANCHISEE FURTHER FRANCHISEE ACKNOWLEDGES THAT FRANCHISEE'S LIMITED RIGHT TO THE SITE SELECTION AREA IS FOR A LIMITED THREE (3) MONTH PERIOD THAT HAS BEEN AFFORDED TO FRANCHISEE FOR THE LIMITED PURPOSE OF ACCOMMODATING FRANCHISEES IDENTIFICATION AND SELECTION OF FRANCHISEE S Chicken in a Barrel BBQ RESTAURANT LOCATION FRANCHISORS OBJECTION TO A PROPOSED FRANCHISEE'S Chicken in a Barrel BBQ RESTAURANT LOCATION SHALL NOT CONSTITUTE A BASIS FOR THE EXTENSION OF THE LIMITED THREE MONTH SITE SELECTION PERIOD UPON EXPIRATION OF THE LIMITED THREE MONTH SITE SELECTION PERIOD, FRANCHISEE ACKNOWLEDGES THAT FRANCHISEE SHALL POSSESS NO RIGHT TO THE SITE SELECTION AREA

Dated ___________

Franchisor Chicken In A Barrel Franchising LLC	Franchisee
By ____________________________	By ____________________________
Title ______________________	Title ______________________

Chicken in a Barrel BBQ Franchise Agreement

Exhibit H
General Release

TO ALL TO WHOM THESE PRESENTS SHALL COME OR MAY CONCERN,
KNOW THAT

, as **RELEASOR,**

in consideration of the sum of One ($1 00) Dollar and other good and valuable consideration received from

, as **RELEASEE,**

receipt of which is hereby acknowledged, releases and discharges the **RELEASEE, RELEASEE'S** heirs, executors, administrators, successors and assigns, from all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims, and demands whatsoever, in law, admiralty or equity which against the **RELEASEE,** the **RELEASOR, RELEASORS',** heirs, executors, administrators, successors and assigns ever had, now have or hereafter can, shall or may, have for, upon, or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of the date of this **RELEASE**

The words "RELEASOR" and "RELEASEE" include all releasors and releasees under this Release

This Release may not be changed orally

IN WITNESS WHEREOF, the **RELEASOR** has hereunto set RELEASORS' had and seal on the ____ day of __________, 2__

____

[NOTARY SEAL AND ATTESTATION]

EXHIBIT "E-2"
TO THE DISCLOSURE DOCUMENT

DEVELOPMENT AGREEMENT

Chicken in a Barrel BBQ
DEVELOPMENT AGREEMENT

____
Franchisee

____
Date of Agreement

Chicken in a Barrel BBQ Development Agreement

Table of Contents

CHICKEN IN A BARREL BBQ DEVELOPMENT AGREEMENT

This DEVELOPMENT AGREEMENT (the "Agreement") is made and entered into this____ day of _________, 20___ (the "Effective Date"), by and between Chicken In A Barrel Franchising, LLC a Hawaii limited liability company with an address located at 5015 Emmalani Dr, Princeville, HI 96722, (the "Franchisor") and ____________________________ (the "Franchisee")

RECITATIONS

WHEREAS, Franchisor has developed a unique, distinctive and proprietary system (hereinafter the "System") for the establishment, development and operation of a barbecue restaurant utilizing the Licensed Marks (defined below) and that features and serves barrel smoked barbecue chicken, ribs, beef and pork, barbecue side dishes and such other proprietary products that Franchisor may specify from time to time (the "Proprietary Products) for on-premises, carry-out and optional delivery service (the "Chicken in a Barrel BBQ Restaurants"),

WHEREAS, the system and, therefore, the Chicken in a Barrel BBQ Restaurants, feature the Licensed Marks and distinctive trade dress, service offerings, business formats, signs, equipment, layouts, operating procedures, programs, methods, procedures, designs and marketing and advertising standards (the "System"), all of which Franchisor may modify from time to time (the System is further defined below),

WHEREAS, a Chicken in a Barrel BBQ restaurant may be established as either a Chicken in a Barrel BBQ Roadside Express or a Full Service Chicken in a Barrel BBQ Restaurant This Agreement shall specify whether or not the Chicken in a Barrel BBQ Restaurant to be developed, established and operated by Franchisee shall be a Chicken in a Barrel BBQ Roadside Express or a Full Service Chicken in a Barrel BBQ Restaurant,

WHEREAS, Franchisor continues to develop, use and control the Licensed Marks in order to identify for the public the source of services and products marketed thereunder and under the System, and to represent the System's high standards of quality, service and appearance,

WHEREAS, Franchisee desires to obtain the license and right to utilize the System and Licensed Marks in connection with the operation of Chicken in a Barrel BBQ Restaurants (hereinafter referred to as the "Chicken in a Barrel BBQ Restaurants" or the "Restaurants") at multiple locations within a designated Exclusive Development Territory in conformity with the System and Franchisor's uniformity requirements and quality standards as established and promulgated from time to time by Franchisor,

WHEREAS, Franchisee understands and acknowledges the importance of Franchisor's standards for quality, cleanliness, appearance, service, the Proprietary Products and the necessity of operating the business franchised hereunder in conformity with Franchisor's standards and specifications, WHEREAS, Simultaneous or prior to the execution of this Agreement, Franchisor and Franchisee have entered into a Chicken in a Barrel BBQ franchise agreement for, among other things, Franchisee's establishment, development and operation of a Chicken in a Barrel BBQ Restaurant located within a protected area designated and set forth in the franchise agreement,

WHEREAS, Franchisee has requested the right to develop two additional Chicken in a Barrel BBQ Restaurants to be located with a specified territory known as an Exclusive Development Territory and as specifically identified defined and set forth in this Agreement, and

WHEREAS, the protected area for Franchisees first Chicken in a Barrel BBQ Restaurant to be established by Franchisee pursuant to the Chicken in a Barrel BBQ Franchise Agreement executed simultaneous to this Agreement and the two additional Chicken in a Barrel BBQ Restaurants to be established by Franchisee pursuant to the terms of this Agreement (and the respective Chicken in a Barrel BBQ franchise agreements for each respective Chicken in a Barrel BBQ restaurant) shall all be located within the Exclusive Development Territory set forth in this Agreement

NOW THEREFORE, the parties, in consideration of the mutual undertakings and commitments of each party set forth herein, agree, as follows

ARTICLE 1
DEFINITIONS

Supplementing the terms and definitions contained in the foregoing "Recitations for the purpose of this Agreement, the terms listed below have the following additional meanings

Abandon "Abandon" will mean the conduct of the Franchisee, including acts of omission as well as commission, indicating the willingness, desire or intent of the Franchisee to discontinue the development and operation of the Chicken in a Barrel BBQ Restaurants in the Exclusive Development Territory in accordance with the terms of this Agreement

Affiliate Means, with respect to a specified entity or organization, any other entity or organization, any other entity or organization that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with the entity or organization specified and, with respect to any natural person, will include all persons related to such person by blood or marriage

Chicken in a Barrel BBQ Restaurant Chicken in a Barrel BBQ Restaurant shall mean any and all Chicken in a Barrel BBQ Restaurants whether a Full Service Chicken in a Barrel BBQ Restaurant or a Chicken in a Barrel BBQ Roadside Express The term Chicken in a Barrel BBQ Restaurant shall also refer to and mean any Chicken in a Barrel BBQ Restaurant developed, owned and/or operated by Franchisee pursuant to the terms of this Agreement and/or any Franchise agreement between Franchisor and Franchisee The type of Chicken in a Barrel BBQ Restaurant (whether Chicken in a Barrel BBQ Roadside Express or a Full Service Chicken in a

Barrel BBQ Restaurant) to be developed, established and operated by Franchisee pursuant to the terms of this Agreement is specified in Article 2 A

Chicken in a Barrel BBQ Roadside Express A Chicken in a Barrel BBQ Roadside Express is a Chicken in a Barrel BBQ restaurant that features and serves a limited menu of our renowned barrel smoked barbecue food and side-dishes for limited seating on-premises consumption, carry-out and optional delivery A Chicken in a Barrel BBQ Roadside Express restaurant will be comprised of a restaurant facility that occupies approximately 400 to 1000 square feet and may be comprised of exclusive outdoor or no seating

Competitive Business A Competitive Business shall mean and include any restaurant business that is the same as or similar to a Chicken in a Barrel BBQ Restaurant including any business and/or restaurant (including traditional restaurants and outlets and mobile kiosks, food trucks and non-traditional outlets) that offers, sells and/or provides menu items that include barbecue and/or smoked chicken, ribs, beef and/or pork

Confidential Information Defined in Article 6 4 of this Agreement

Full Service Chicken in a Barrel BBQ Restaurant A Full Service Chicken in a Barrel BBQ Restaurant is a restaurant featuring and serving a full menu of our renowned barrel smoked barbecue food and side-dishes and other prepared food and side-dishes for on-premises consumption, carry-out and optional delivery A Full Service Chicken in a Barrel BBQ Restaurant will be comprised of a restaurant facility that occupies approximately 3,000 to 4,000 square feet and may be comprised of a combination of indoor and outdoor seating

Franchise Agreement The term "Franchise Agreement' means Franchisor's individual unit Chicken in a Barrel BBQ Franchise Agreement

Immediate Family The spouse of a person and any other member of the household of such person, including, without limitation, children of such person

Licensed Marks The terms "Marks" and/or "Licensed Marks" will mean the trademarks service marks, emblems and indicia of origin, including the "Chicken in a Barrel BBQ" trademark and other trade names, trade dress, service marks, trademarks, logos and designs authorized by Franchisor in connection with the identification of Chicken in a Barrel BBQ Restaurants and the services and/or products offered by Chicken in a Barrel BBQ Restaurants, provided that such trademarks, trade names, service marks, logos and designs are subject to modification and discontinuance by Franchisor and at Franchisor's sole discretion

Manager "Manager" or "Managers" will mean the individuals responsible for the overall management of the Franchisee's Chicken in a Barrel BBQ Restaurants including, but not limited to, administration, basic operations, marketing, customer and community relations, record-keeping, floor coverage, employee staffing and training, inventory control, hiring and firing, food preparation and maintenance of the Restaurants The Manager and/or Managers must have completed, to the satisfaction of Franchisor, Franchisors training requirements and programs

<u>Managing Principal</u> If Franchisee is a partnership, corporation or limited liability company, the owner responsible for the day-to-day management of Franchisee's affairs Said individual must possess and maintain an ownership and/or equity interest in the Franchise such that said individual owns, holds and controls no less than Twenty Five (25%) Percent of the equity and ownership interests in the Franchise

<u>Principal</u> The term "Principal" includes, collectively, individually and jointly (a) the officers and directors of Franchisee (including the officers and directors of any general partner of Franchisee) who hold an ownership interest in Franchisee, (b) the managing member or manager if Franchisee is a limited liability company, (c) all holders of an ownership interest, directly or indirectly, of five percent (5%) or more in Franchisee and of any entity directly or indirectly controlling Franchisee, and (d) the Managing Principal(s) Franchisee's initial Principals are identified and listed in Exhibit C to this Agreement

<u>Restaurant</u> "Restaurant" shall mean any and all Chicken in a Barrel BBQ Restaurants developed, owned and/or operated by Franchisee pursuant to the terms of this Agreement and/or any Franchise agreement between Franchisor and Franchisee The type of Chicken in a Barrel BBQ Restaurant (whether Chicken in a Barrel BBQ Roadside Express or a Full Service Chicken in a Barrel BBQ Restaurant) to be developed, established and operated by Franchisee pursuant to the terms of this Agreement is specified in Article 2 A

<u>System</u> "System" will mean the distinctive foods, beverages, special recipes, menu items, products and services that are presently, or in the future, associated with the Chicken in a Barrel BBQ Restaurants and/or Franchisor's trademarks, trade names, service marks, copyrights, distinctive interior and exterior building designs, decor, furnishings, menus, uniforms, slogans, signs, logos, commercial symbols and color combinations "System" includes the Licensed Marks and will include all of the uniformity requirements, standards of consistency and quality, procedures, specifications, training, advertising, and instructions promulgated by Franchisor

<u>Term</u> The "Term" of this Agreement shall be for the period set forth and defined in Article 3 1 of this Agreement

<u>Dollars</u> "Dollars" will mean United States of America Dollars

<u>Transfer or Assignment</u> "Transfer" and/or "Assignment" means any act or circumstance or series of acts or circumstances including, without limitation any merger, consolidation, combination or restructure, by which ownership or control is shifted in whole or in part from one entity or person to another, including, if a Franchisee is a corporation, any changes in the present ownership of the stock of the corporation or the issuance of additional stock of the corporation, and if Franchisee is a partnership, any change in or addition of partners

<u>Noncompliance Fee</u> A fee payable by Franchisee in an amount equal to the amount of costs and expenses and that Franchisor incurs on account of Franchisee's default, plus attorneys fees whether for our in-house legal staff or outside legal counsel to perform services on account of your default If legal services are done in-house, the attorneys fees will be calculated as the amount of time spent by each individual multiplied by rates consistent with those charged in the

New York area or some other area where the corporate headquarters of Franchisor are located at such time, for similar services

ARTICLE 2
EXCLUSIVE DEVELOPMENT TERRITORY

2 1 GRANT

Franchisor hereby grants to the Franchisee, for the Term of this Agreement, the right to enter into a maximum of three (3) Franchise Agreements with Franchisor for Franchisee's development and operation of three (3) Chicken in a Barrel BBQ Restaurants in conformity with the System and in accordance with the terms of each respective Franchise Agreement, to be located exclusively within the exclusive development territory (the "Exclusive Development Territory") described and delineated in Exhibit "A" attached hereto To be effective, Exhibit A must be completed and must be signed by both the Franchisee and Franchisor)

Franchisee hereby accepts said grant and Franchisee hereby assumes the obligations set forth in this Agreement

Without limitation to the foregoing, Franchisee expressly acknowledges and agrees that the protected area(s) granted to Franchisee pursuant to each respective Chicken in a Barrel BBQ franchise agreement to be executed pursuant to the terms of this Agreement may, in aggregate, constitute an area and/or territory that is smaller than the Exclusive Development Territory The protected area to be awarded to Franchisee shall be exclusively defined and set forth pursuant to the terms of each respective Chicken in a Barrel BBQ franchise agreement

2 2 EXCLUSIVITY

The rights and privileges granted to the Franchisee in this Agreement are expressly limited to the Exclusive Development Territory and are expressly subject to the terms and conditions of this Agreement During the term of this Agreement Franchisor will not franchise, license, subfranchise, develop, own or operate ("develop') any Chicken in a Barrel BBQ Restaurants in the Exclusive Development Territory while this Agreement is in effect without the consent of the Franchisee, provided, however, that Franchisor and its affiliates will have the right to acquire, franchise and operate other restaurant and business concepts, even if the locations are located in the Exclusive Development Territory

2 3 RESERVATION OF RIGHTS

Notwithstanding anything contained in this Agreement to the contrary, Franchisee hereby acknowledges and agrees that, at all times, Franchisor shall retain, exclusively for the benefit of Franchisor (including Franchisor's affiliates and assigns) and to the exclusion of Franchisee all rights not expressly set forth in this Agreement and the right to

(a) Establish, operate and/or grant to Franchisor, Franchisor's affiliates or others the right to operate a Chicken in a Barrel BBQ Restaurant and/or Chicken in a Barrel BBQ

Restaurants or other restaurants that are the same or similar to a Chicken in a Barrel BBQ Restaurant using the System and/or the Licensed Marks at locations outside the Exclusive Development Territory as Franchisor deems appropriate and irrespective of the proximity to Franchisee's Exclusive Development Territory,

(b) Establish or license to others to establish Chicken in a Barrel BBQ Restaurant(s) at any institutional facility (institutional facilities include, among other things) airports, bus stations, factories, federal, state or local government facilities including military bases, hospitals and other health-care facilities, recreational facilities, schools, colleges and other academic facilities, seasonal facilities, shopping malls, theaters, train stations, workplace cafeterias and hotels) or co-branded location (co-branded locations include, among other things, businesses of any sort within which a Chicken in a Barrel BBQ Restaurant is established and located, including for example book stores, department stores restaurants, home improvement stores, gas stations and supermarkets) within or outside the Exclusive Development Territory, despite the proximity to the location of Franchisee s Chicken in a Barrel BBQ Restaurant(s) or the actual or threatened impact to sales of Franchisee's Chicken in a Barrel BBQ Restaurant(s),

(c) Establish and license others to establish restaurants under other systems or other marks, which restaurants may offer or sell products that are the same as, similar to or different from the products offered from Franchisee's Chicken in a Barrel BBQ Restaurant, and which restaurants may be located within or outside Franchisee's Exclusive Development Territory despite the proximity to the location of Franchisee's Chicken in a Barrel BBQ Restaurant(s) or the actual or threatened impact to sales of Franchisee's Chicken in a Barrel BBQ Restaurant(s),

(d) Acquire the assets or ownership interests of one or more businesses that operate, or grant franchises or licenses to operate, one or more restaurants and/or competing restaurants that are the same as or similar to a Chicken in a Barrel BBQ Restaurant(s) located or operating within or outside the Exclusive Development Territory, notwithstanding the fact that such restaurants may be the same as or similar to Chicken in a Barrel BBQ Restaurants, and in the event of an acquisition, Franchisor or its affiliates (as applicable) shall have the right to continue to operate such restaurants and to develop additional restaurants of such concept, and to grant others the right to develop and operate restaurants of such concept both within and outside the Exclusive Development Territory In such event the Franchisor is not required to pay any compensation for soliciting or accepting orders inside the Franchisee's Exclusive Development Territory,

(e) Be acquired (regardless of the form of transaction) by a business, whether or not such business is a competitive business, even if such business operates, franchises and/or grants licenses for the operation of restaurants that are the same as or similar to a Chicken in a Barrel BBQ Restaurant within the Exclusive Development Territory, and in the event of such an acquisition, the acquirer and its affiliates (as applicable) shall have the right to continue to operate such restaurants and to develop additional restaurants of such concept, and to grant others the right to develop and operate restaurants of such concept, both within and outside the Exclusive Development Territory and even if such restaurants compete with Franchisee's Chicken in a Barrel BBQ Restaurant

Without limitation to the foregoing, Franchisor (on behalf of Franchisor and its affiliates) retains all rights, in Franchisor's sole discretion, and without granting any rights to Franchisee to

(i) Acquire the assets or ownership interests of one or more businesses that operate, or grant franchises or licenses to operate, one or more restaurants located or operating within or outside the Exclusive Development Territory, notwithstanding the fact that such restaurants may be the same as or similar to Chicken in a Barrel BBQ Restaurants, and in the event of an acquisition, Franchisor or its affiliates (as applicable) shall have the right to continue to operate such restaurants and to develop additional restaurants of such concept, and to grant others the right to develop and operate restaurants of such concept both within and outside the Exclusive Development Territory

(ii) Be acquired (regardless of the form of transaction) by a business, whether or not such business is a Competitive Business, even if such business operates, franchises and/or grants licenses for the operation of restaurants which may be the same as or similar to Chicken in a Barrel BBQ Restaurants within the Exclusive Development Territory, and in the event of such an acquisition, the acquirer and its affiliates (as applicable) shall have the right to continue to operate such restaurants and to develop additional restaurants of such concept, and to grant others the right to develop and operate restaurants of such concept, both within and outside the Exclusive Development Territory and even if such restaurants compete with Franchisee's Chicken in a Barrel BBQ Restaurant

2 4 PERSONAL RIGHTS

Franchisee acknowledges and agrees that Franchisee does not and shall not have or possess the right to franchise, subfranchise, license or sublicense its rights under this Agreement Franchisee further acknowledges and agrees that Franchisee shall not and may not develop, own and/or operate Chicken in a Barrel BBQ Restaurants in any territory other than the Exclusive Development Territory The rights and privileges granted and conveyed to the Franchisee in this Agreement will be exclusively for the Exclusive Development Territory and may not be assigned, sold or transferred by the Franchisee, except as specifically provided for in this Agreement

2 5 INDIVIDUAL GUARANTY OF THE PRINCIPALS

If Franchisee is at any time a corporation, limited liability company, partnership or other legal business entity, Franchisee represents that the information contained in Exhibit C to this Agreement is true and accurate and represents to Franchisor that each Principal will be bound and obligated to individually, jointly and severally, execute and be bound by the personal guaranty attached to this Agreement as Exhibit B

ARTICLE 3
TERM OF DEVELOPMENT AGREEMENT

3 1 TERM

The term of this Agreement shall be for a period of three (3) years, commencing on the Effective Date of this Agreement and automatically expiring at midnight on the three year anniversary of the Effective Date unless earlier terminated pursuant to the terms of this Agreement This Agreement will not be enforceable until it has been signed by both Franchisor and Franchisee To be effective Exhibits A to this Agreement must be signed by Franchisor This Agreement is not renewable

ARTICLE 4
EXCLUSIVE DEVELOPMENT TERRITORY FEE, INITIAL FEES AND DEVELOPMENT SCHEDULE

4 1 EXCLUSIVE DEVELOPMENT TERRITORY FEE

In exchange for the rights set forth and granted pursuant to the terms of this Agreement, upon execution of this Agreement Franchisee shall pay to Franchisor an exclusive development territory fee of $30,000 (the "Exclusive Development Territory Fee")

Exclusive Development Territory Fee
$30,000

The Exclusive Development Territory Fee is not refundable under any circumstance

Franchisee expressly acknowledges and agrees that the Exclusive Development Territory Fee is not a franchise fee nor the Initial Franchise Fee that will be payable and due from Franchisee to Franchisor at the time the Franchise Agreement for each Chicken in a Barrel BBQ Restaurant is signed by Franchisee The amount of each Initial Franchise Fee payable to Franchisor for each Chicken in a Barrel BBQ Restaurant to be developed in the Exclusive Development Territory will be the amount as set forth in this Article 4 2, even if the then-current standard Franchise Agreement signed by the Franchisee specifies an Initial Fee that is greater than or different from the Initial Fee specified herein Each such Initial Fee will be payable to Franchisor subject to the terms of this Agreement

4 2 INITIAL FRANCHISE FEES

Without limitation to the terms of Article 4 1 and/or any applicable Franchise Agreement between Franchisor and Franchisee Franchisee acknowledges that this Agreement requires Franchisee, among other things, to develop and operate three (3) Chicken in a Barrel BBQ Restaurants in accordance with the terms of this Agreement The Initial Franchise Fee for each

Chicken in a Barrel BBQ Restaurant to be developed pursuant to the terms of this Agreement shall be fixed, as follows

Initial Franchise Fee (First Chicken in a Barrel BBQ Restaurant)
$35,000, payable and due upon execution of the applicable Franchise Agreement payable in accordance with the terms of such Franchise Agreement This Initial Franchise Fee is separate from and in addition to the Exclusive Development Territory Fee set forth in Article 4 1 of this Agreement

Initial Franchise Fee (Second Chicken in a Barrel BBQ Restaurant)
Provided that Franchisee is not in default of the terms of this Agreement (including but not limited to the Development Schedule set forth below) nor the terms of any franchise or other agreement between Franchisor and Franchisee, the Initial Franchise Fee for Franchisee's Second Chicken in a Barrel BBQ Restaurant to be established pursuant to the terms of this Agreement shall be $15,000, payable and due upon execution of the applicable Franchise Agreement This Initial Franchise Fee is separate from and in addition to the Exclusive Development Territory Fee set forth in Article 4 1 of this Agreement and the Initial Franchise Fees for all other Chicken in a Barrel BBQ Franchise Agreements

Initial Franchise Fee (Third Chicken in a Barrel BBQ Restaurant)
Provided that Franchisee is not in default of the terms of this Agreement (including but not limited to the Development Schedule set forth below) nor the terms of any franchise or other agreement between Franchisor and Franchisee, the Initial Franchise Fee for Franchisee's Third Chicken in a Barrel BBQ Restaurant to be established pursuant to the terms of this Agreement shall be $15,000, payable and due upon execution of the applicable Franchise Agreement This Initial Franchise Fee is separate from and in addition to the Exclusive Development Territory Fee set forth in Article 4 1 of this Agreement and the Initial Franchise Fees for all other Chicken in a Barrel BBQ Franchise Agreements

4 3 PAYMENT OF INITIAL FRANCHISE FEES

The applicable Initial Franchise Fee set forth in Article 4 2 of this Agreement for the first Chicken in a Barrel BBQ Restaurant required to be developed in the Exclusive Development Territory shall be payable as set forth in accordance with the terms of the Franchise Agreement for Franchisee's first Chicken in a Barrel BBQ Restaurant The applicable Initial Franchise Fees set forth in Article 4 2 of this Agreement for Franchisee's second Chicken in a Barrel BBQ Restaurant to be developed in the Exclusive Development Territory and Franchisee's third Chicken in a Barrel BBQ Restaurant to be developed in the Exclusive Development Territory, respectively, shall be paid in such amounts as set forth in Article 4 2 of this Agreement at the time of signing the franchise agreement for each respective Chicken in a Barrel BBQ Restaurant Either prior to or simultaneous to the execution of this Agreement, Franchisee has signed a Chicken in a Barrel BBQ Franchise Agreement for Franchisee's first Chicken in a Barrel BBQ Restaurant to be located within the Exclusive Development Territory The second and third Chicken in a Barrel BBQ Restaurant, respectively, to be developed pursuant to the terms of this Agreement, Franchisee must execute Franchisor's then current standard Franchise Agreement on or before the earlier of

(i) The date the Franchisee executes a lease for the business premises of each Chicken in a Barrel BBQ Restaurant in the Exclusive Development Territory,

(ii) The date the Franchisee executes a purchase agreement for the real estate for each Chicken in a Barrel BBQ Restaurant in the Exclusive Development Territory, or

(iii) Nine months prior to the date the Chicken in a Barrel BBQ Restaurant must be open and in operation pursuant to the Development Schedule

4 4 DEVELOPMENT SCHEDULE

Franchisee acknowledges and agrees that a material provision of this Agreement is that the number of Chicken in a Barrel BBQ Restaurants that must be developed, opened and continuously operating (in accordance with the terms and provisions of each respective Franchise Agreement) in the Exclusive Development Territory during the term or this Agreement shall be in accordance with the following "Development Schedules" identified below

Aggregate Number of Chicken in a Barrel BBQ Restaurants to be Developed
3 Total aggregate number of Chicken in a Barrel BBQ Restaurants that must be established, opened and operating in the Exclusive Development Territory pursuant to the terms of this Agreement and each respective Franchise Agreement

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Development Schedule		
Year (the 'Development Year')	Number and Type (i e Chicken in a Barrel BBQ Roadside Express or Full Service Chicken in a Barrel BBQ Restaurant) of Chicken in a Barrel BBQ Restaurants to be newly established, developed and opened within the Exclusive Development Territory for each respective Development Year	Cumulative Number of Chicken in a Barrel BBQ Restaurants that must be open and continuously operating (in accordance with each respective Franchise Agreement) within the Development Territory during and within each respective Development Year
1	1 **[Insert Type of Chicken in a Barrel BBQ Restaurant]**	1
2	1 **[Insert Type of Chicken in a Barrel BBQ Restaurant]**	2
3	1 **[Insert Type of Chicken in a Barrel BBQ Restaurant]**	3

Each year period will be determined from the date of this Agreement, so that the first year of the Development Schedule set forth above (*i e* Development Year "1") will end twelve (12) months from the Effective Date of this Agreement Failure to establish, open and maintain the cumulative number of Chicken in a Barrel BBQ Restaurants in accordance with and as set forth in the foregoing Development Schedule shall constitute a material default of this Agreement and shall permit Franchisor to, among other things, terminate this Agreement pursuant to the terms of Article 8 2 of this Agreement

4 5 REASONABLENESS OF DEVELOPMENT SCHEDULE

Franchisee represents that it has conducted its own independent investigation and analysis of the prospects for the establishment of Chicken in a Barrel BBQ Restaurants within the Exclusive Development Territory, approves of the Development Schedule as being reasonable and viable, and recognizes that failure to achieve the results described in the Development Schedule will constitute a material breach of this Agreement

4 6 FAILURE TO COMPLY WITH DEVELOPMENT SCHEDULE

Franchisee's failure to comply with the Development Schedule will constitute a material breach of this Agreement by Franchisee and, in that event, Franchisor will have the right to terminate this Agreement as provided herein Termination of this Agreement as a result of the Franchisee's failure to meet the Development Schedule set forth above will not affect the individual Franchise Agreements signed by the Franchisee for the Chicken in a Barrel BBQ Restaurants in the Exclusive Development Territory pursuant to this Agreement, however, upon termination of this Agreement, all rights to develop additional Chicken in a Barrel BBQ Restaurants in the Exclusive Development Territory and all other rights granted to the Franchisee under this Agreement will immediately terminate and revert to Franchisor, without affecting those obligations of the Franchisee that continue beyond the termination of this Agreement

4 7 TERMINATION FOR FAILURE TO COMPLY WITH DEVELOPMENT SCHEDULE

If this Agreement is terminated by Franchisor because of Franchisee's failure to meet the Development Schedule set forth above, the rights and duties of Franchisor and the Franchisee will be as follows

(i) Franchisee will have no further rights to open or develop additional Chicken in a Barrel BBQ Restaurants within the Exclusive Development Territory,

(ii) Franchisee will continue to pay the fees and to operate the Chicken in a Barrel BBQ Restaurants in the Exclusive Development Territory pursuant to the terms of the applicable Franchise Agreements signed by the Franchisee prior to the date of the termination of this Agreement for failure to meet the Development Schedule, and

(iii) Franchisor will have the right to develop the Exclusive Development Territory or to contract with another franchisee for future development of the Exclusive Development Territory

ARTICLE 5
OTHER OBLIGATIONS OF FRANCHISEE

5 1 COMPLIANCE WITH APPLICABLE LAWS

Franchisee will, at its expense, comply with all applicable federal, state, city, municipal and local laws, ordinances, rules and regulations in the Exclusive Development Territory pertaining to the operation of its Chicken in a Barrel BBQ Restaurants Franchisee will, at its expense, be solely and exclusively responsible for determining all licenses and permits required by law for the Franchisee's Restaurants, for qualifying for and obtaining all such licenses and permits, for maintaining all such licenses and permits in full force and effect, and for complying with all applicable laws

5 2 EXECUTION OF FRANCHISE AGREEMENTS

For each Chicken in a Barrel BBQ Restaurant owned, developed and opened for business by the Franchisee in the Exclusive Development Territory, Franchisee must execute Franchisor's then-current standard Franchise Agreement (hereinafter referred to as the "Franchise Agreement") A copy of Franchisor s current Franchise is attached hereto as Exhibit "C" A then current standard Franchise Agreement must be executed by the Franchisee for each and every Chicken in a Barrel BBQ Restaurant required to be opened by the Franchisee in the Exclusive Development Territory on or before the earlier of

(i) the date the Franchisee executes a lease for the business premises of each Chicken in a Barrel BBQ Restaurant in the Exclusive Development Territory,

(ii) the date the Franchisee executes a purchase agreement for the real estate for each Chicken in a Barrel BBQ Restaurant in the Exclusive Development Territory or

(iii) nine (9) months prior to the date the Chicken in a Barrel BBQ Restaurant must be open and in operation pursuant to the Development Schedule If the Franchisee fails to provide Franchisor with an executed Franchise Agreement as required by the terms of this Agreement, it shall constitute a material breach of this Agreement and Franchisor will have the right to terminate this Agreement as provided herein

5 3 ROYALTY FEES AND OTHER FRANCHISE AGREEMENT FEES

Without limiting the terms of each applicable Franchise Agreement, Franchisee expressly acknowledges and agrees that pursuant to the terms of each respective Franchise Agreement respecting and/or concerning the Exclusive Development Territory and/or this Agreement, that nothing contained in this Agreement shall obviate and/or reduce Franchisees obligations as set forth in each respective Franchise Agreement including, without limitation, Franchisees obligations, respectively, to pay Royalty Fees, Brand Development Fund Fees and other fees in accordance with each respective Franchise Agreement Nothing contained in this Agreement shall modify, reduce or mitigate Franchisee's obligations to pay same

The only fee contained in the Franchise Agreement that is modified by this Agreement is the Initial Franchise Fee as same is set forth in Article "4 2" of this Agreement

5 4 MODIFICATIONS TO FRANCHISE AGREEMENT

Franchisee acknowledges that the Franchise Agreement may be modified from time to time by Franchisor and that reasonable modification and amendments to the Franchise Agreement will not alter Franchisee's obligations under this Agreement

5 5 COMPLIANCE WITH FRANCHISE AGREEMENTS

Franchisee will operate the Chicken in a Barrel BBQ Restaurants in the Exclusive Development Territory in strict compliance with all of the terms and conditions of the then-current standard Franchise Agreements executed by the Franchisee and Franchisor

5 6 SITE SELECTION

Franchisee will be solely responsible for selecting the site for the Franchisee's Restaurant, regardless of whether the site is owned or leased by the Franchisee Franchisee will retain an experienced commercial real estate broker or salesperson who has sufficient experience in locating restaurant sites to locate, acquire, purchase or lease the site for the Franchisee's Restaurant Accordingly, no provision of this Agreement will be construed or interpreted to impose any obligation upon Franchisor to locate a site for the Restaurant, to assist the Franchisee in the selection of a suitable site for the Restaurant, or to provide any assistance to the Franchisee in the purchase or lease of the site for the Restaurant

5 7 SITE SELECTION CRITERIA

Franchisee will not lease, purchase or otherwise acquire a site for the Restaurant until such information as Franchisor may require iegaiding the proposed site has been provided to Franchisor by Franchisee Such information may include, without limitation, information regarding the proposed site as to accessibility, visibility, potential traffic flows, lease terms and other demographic information Franchisee shall not enter into any lease or purchase agreement with iespect to any proposed site until Franchisor has issued a notice of no objection Any such lease for the proposed site shall contain a provision that in the event of any default by the Franchisee under the lease or in the event the Franchisee ceases to operate its Chicken in a Barrel BBQ Restaurant from the site, the Franchisor shall have the option to assume all obligations of the tenant under the lease and to cure, if necessary, any default by the tenant under the lease and to thereafter operate the Chicken in a Barrel BBQ Restaurant from the premises The review of the site conducted by Franchisor will not be deemed to be a warranty, representation or guaranty by Franchisor that if the Franchisee's Restaurant is opened and operated at that site, it will be a financial success Franchisor will have the right to require the Franchisee to obtain, at the Franchisee's expense, an economic feasibility and demographics study for the proposed site of the Restaurant Any site feasibility and demographics study required by Franchisor will be completed by a real estate expert mutually agreed upon by Franchisor and the Franchisee in writing Fianchisor will evaluate the site in light of Franchisoi's then-cuirent Encroachment policy Such policy may consider the pioximity and potential impact of a proposed site on existing and future company operated and fianchised units Any lease for the proposed site shall contain a provision that in the event of any default by the Franchisee under the lease or in the event the Franchisee ceases to opeiate its Chicken in a Barrel BBQ Restauiant from the site, the Franchisor shall have the option to assume all obligations of the tenant under the lease and to cure, if necessary, any default by the tenant under the lease and to thereaftei operate the Chicken in a Bairel BBQ Restaurant from the premises

ARTICLE 6
CONFIDENTIAL STANDARD OPERATIONS AND PROCEDURES MANUAL AND OTHER INFORMATION

6 1 COMPLIANCE WITH MANUALS

To protect the reputation and goodwill of Franchisor, and to maintain uniform operating standards under the Marks and the System, the Franchisee will at all times during the term of this Agreement conduct the development and operations its Chicken in a Baniel BBQ Restaurant(s) in accordance with Franchisor's confidential Operations Manual (sometimes referred to as the "Opeiations Manual") Franchisee acknowledges having received one copy of the Operations Manual on loan from Franchisor

6 2 CONFIDENTIALITY OF MANUALS

Franchisee will at all times during the term of this Agreement and thereafter treat the Operations Manual and any other manuals created for or approved for use in the operation of the Franchisee's Restaurant, and the information contained therein as secret and confidential, and Franchisee will use all reasonable means to keep such information secret and confidential Neither the Franchisee nor any employees of the Franchisee will make any copy, duplication, record or reproduction of the Operations Manual, or any portion thereof, available to any unauthorized person

6 3 REVISIONS TO MANUALS

The Operations Manual will at all times during the term of this Agreement and thereafter remain the sole and exclusive property of Franchisor Franchisor may from time to time revise the Operations Manual, and the Franchisee expressly agrees to operate its Restaurant in accordance with all such revisions Franchisee will at all times keep its copy of the Operations Manual current and up-to-date, and in the event of any dispute regarding the Operations Manual, the terms of the master copy of the Operations Manual maintained by Franchisor will be controlling in all respects

6 4 CONFIDENTIAL INFORMATION

Without limitation to the foregoing, franchisee further acknowledges and agrees that Franchisor or its licensors, as applicable, possess and may further develop and acquire certain confidential and proprietary information and trade secrets including, but not limited to, the information contained in the Operations Manual, the System as well as the following categories of information, methods, techniques, procedures and knowledge developed or to be developed by Franchisor or its affiliates or their consultants, contractors or designees, and/or franchisees (the "Confidential Information")

(1) methods, equipment, specifications, standards, policies, procedures, information, concepts and systems relating to and knowledge of and experience in the development, operation and franchising of Chicken in a Barrel BBQ Restaurants

(2) marketing and promotional programs for Chicken in a Barrel BBQ Restaurants,

(3) information concerning consumer preferences for services, products, materials and supplies used or sold by, and specifications for and knowledge of suppliers of certain materials, equipment and fixtures used and/or sold by Chicken in a Barrel BBQ Restaurants,

(4) information concerning customers, customer lists, email lists, database lists, product sales, operating results, financial performance and other financial data of Chicken in a Barrel BBQ Restaurants,

(5) the Operations Manual, and

(6) employee selection procedures, training and staffing levels

Franchisor will disclose to Franchisee such parts of the Confidential Information as Franchisor deems necessary or advisable from time to time in its sole discretion for the operation of Franchisee's Chicken in a Barrel BBQ Restaurant during training, and in guidance and assistance furnished to Franchisee during the Term of this Agreement, and Franchisee may learn or otherwise obtain from Franchisor and its affiliates, other developers and other franchisees additional Confidential Information of Franchisor during the Term of this Agreement Franchisee acknowledges and agrees that neither Franchisee nor any other person or entity will acquire by or through Franchisee any interest in or right to use the Confidential Information other than Franchisee's right to utilize it in the operation of Franchisee's Chicken in a Barrel BBQ Restaurant pursuant to this Agreement, and that the use or duplication of the Confidential Information in any other business would constitute an unfair method of competition with Franchisor and other Chicken in a Barrel BBQ Restaurants and franchisees Franchisee agrees to disclose the Confidential Information to its owners, employees and other persons only to the extent necessary for the operation of Franchisee's Chicken in a Barrel BBQ Restaurant and only if such individuals have agreed to maintain such information in confidence in a written agreement enforceable by Franchisor and approved by Franchisor

Franchisee acknowledges and agrees that the Confidential Information is confidential to and a valuable asset of Franchisor, is proprietary, includes trade secrets of Franchisor, and is disclosed to Franchisee solely on the condition that Franchisee, its owners and its employees who have access to the Confidential Information agree, and Franchisee does hereby agree, that, during and after the term of this Agreement, Franchisee, its owners and such employees

(1) will not use the Confidential Information in any other business or capacity,

(2) will maintain the absolute secrecy and confidentiality of the Confidential Information,

(3) will not make unauthorized copies of any portion of the Confidential Information disclosed in written or other tangible form,

(4) will keep the Operations Manual in a secure place at Franchisee's Chicken in a Barrel BBQ Restaurant,

(5) will adopt and implement all reasonable procedures prescribed from time 'to time by Franchisor to prevent unauthorized use or disclosure of the Confidential Information

Notwithstanding anything to the contrary contained in this Agreement, the following shall not constitute Confidential Information and the restrictions on Franchisee's disclosure and use of the Confidential Information shall not apply to the following

(1) generalized information, methods, procedures and knowledge that becomes known within Franchisee's Chicken in a Barrel BBQ Restaurant but not as a result of any disclosure (whether deliberate or inadvertent) by Franchisee or any other party having an obligation (or required to have an obligation) of confidentiality to Franchisor, and

(2) the disclosure of the Confidential Information in judicial or administrative proceedings to the extent that Franchisee is legally compelled to disclose such information and provided that Franchisee has notified Franchisor prior to disclosure and shall have used its best efforts to obtain, and shall have afforded Franchisor the opportunity to obtain, an appropriate protective order or other assurance satisfactory to Franchisor as to the confidential treatment of the information required to be disclosed

Franchisee agrees to disclose to Franchisor all ideas, concepts, methods and products conceived or developed by Franchisee, its affiliates, owners or employees during the term of this Agreement relating primarily to the development and operation of Chicken in a Barrel BBQ Restaurants, provided that Franchisee will not be obligated to make such disclosures if doing so would violate any contractual obligations of Franchisee that arose prior to Franchisee's execution of this Agreement

Franchisee hereby assigns to Franchisor and agrees to procure from its owners, affiliates and employees assignment of any such ideas, concepts, recipes, methods and products that Franchisee is required to disclose to Franchisor hereunder Franchisor shall have no obligation to make any lump sum or on-going payments to Franchisee or its owners, affiliates or employees with respect to any such idea, concept, method, technique or product Franchisee agrees that Franchisee will not use nor will it allow any other person or entity to use any such concept, method or product without obtaining Franchisor's prior written approval

6 5 CONFIDENTIALITY AGREEMENTS

All of the Franchisee's employees who have access to the Manual or any other confidential or proprietary information must sign confidentiality agreements in the form attached as an exhibit to the Agreement agreeing to maintain the confidentiality, during the course of their employment and thereafter, of all information designated by Franchisor as confidential and proprietary Franchisee's partners, officers and directors must sign confidentiality agreements in a form being attached to this Agreement Copies of all executed confidentiality agreements will be submitted to Franchisor upon request

6 6 RESTRICTIONS ON SOLICITATION OF EMPLOYEES

Franchisee, its shareholders, directors, officers, agents, representatives and employees, will not, during the term of this Agreement, employ or offer to hire any current employee of Franchisor or any other Chicken in a Barrel BBQ franchisee without providing prior written notice to the current employer ten (10) days prior to an offer of employment A current Employee includes any person who has left the employment of the Franchisor or other Chicken in a Barrel BBQ franchisee within six (6) months of the offer of employment by Franchisee Franchisee will not hire or offer employment to any former employee of any Franchisor owned Chicken in a Barrel BBQ Restaurant without obtaining an employee reference from the Chicken in a Barrel BBQ Restaurant that previously employed the applicant

ARTICLE 7
ASSIGNMENT

7 1 ASSIGNMENT BY FRANCHISOR

This Agreement may be unilaterally assigned and transferred by Franchisor and will inure to the benefit of Franchisor's successors and assigns Franchisor will provide the Franchisee with written notice of any such assignment or transfer, and the assignee will be required to fulfill Franchisor's obligations under this Agreement

7 2 ASSIGNMENT BY FRANCHISEE TO CORPORATION

In the event the Franchisee is an individual or a partnership, this Agreement may be transferred or assigned by the Franchisee to a corporation which is owned or controlled by the Franchisee without paying any transfer fee, provided that (A) the Franchisee and the shareholders who own a majority (fifty-one percent (51%) or greater) of the voting capital stock of the assignee corporation sign or have signed a personal guaranty in the form contained in the Agreement and attached hereto as Exhibit "B", (B) the Franchisee furnishes prior written proof to Franchisor substantiating that the corporation will be financially able to perform all of the terms and conditions of this Agreement, and (C) none of the shareholders own, operate, franchise, develop, manage or control any restaurant business that is in any way competitive with the Franchisee's Chicken in a Barrel BBQ Restaurants Franchisee will give Franchisor fifteen (15) days written notice prior to the proposed date of assignment or transfer of this Agreement to an owned or controlled corporation of the Franchisee, however, the transfer or assignment of this Agreement will not be valid or effective until Franchisor has received the legal documents its legal counsel deems necessary to properly and legally document the transfer or assignment of this Agreement to the corporation as provided herein

7 3 ASSIGNMENT UPON DEATH OR DISABILITY OF FRANCHISEE

If Franchisee is an individual, then in the event of the death or permanent disability of the Franchisee, this Agreement may be assigned, transferred or bequeathed by the Franchisee to any designated person or beneficiary without paying a transfer fee However, the assignment of this Agreement to the transferee, assignee or beneficiary of the Franchisee will not be valid or effective until Franchisor has received the properly executed legal documents which its attorneys deem necessary to properly and legally document the transfer, assignment or bequest of this Agreement Furthermore, the transferee, assignee or beneficiary must agree to be unconditionally bound by the terms and conditions of this Agreement and to personally guarantee the performance of the Franchisee's obligations under this Agreement

7 4 APPROVAL OF TRANSFER, CONDITIONS FOR APPROVAL

The rights granted to the Franchisee pursuant to this Agreement may be sold, assigned or transferred by the Franchisee only with the prior written approval of Franchisor Except as provided for in Article 7 7 and Article 7 8 of this Agreement, Franchisor will not withhold its consent to any sale, assignment or transfer of this Agreement, provided that the Franchisee and/or the transferee franchisee comply with the following conditions

(i) Franchisee has provided written notice to Franchisor of the proposed sale, assignment or transfer of this Agreement at least thirty (30) days prior to the transaction, and

(ii) All of the Franchisee's and Franchisee's Affiliates' monetary obligations due to Franchisor have been paid in full, and neither the Franchisee nor any of its Affiliates are in default under this Agreement or otherwise, and

(iii) All of the Franchisee's monetary obligations due to Franchisor have been paid in full, and the Franchisee is not otherwise in default under this Agreement, and

(iv) The transferee franchisee, its shareholders and Personal Guarantors agree to be personally liable to discharge all of the Franchisee's obligations under this Agreement and Franchisor, the Franchisee and the transferee franchisee enter into a written transfer and assignment agreement in a form satisfactory to Franchisor assuming and agreeing to discharge all of the Franchisee's obligations and covenants under this Agreement and such other ancillary agreements as Franchisor or its legal counsel may require for the transfer of this Agreement to the transferee franchisee, and

(v) Franchisee has executed a written agreement, in a form satisfactory to Franchisor, in which the Franchisee agrees to observe all applicable provisions of this Agreement, including the provisions with obligations and covenants that continue beyond the expiration or termination of this Agreement which includes the covenants not to compete contained in Article 10 of this Agreement, and

(vi) Franchisor and the Franchisee have executed a joint and mutual release, in a form satisfactory to Franchisor, of any and all claims against their officers, directors, shareholders, agents and employees, in their corporate and individual capacities arising from, in connection with, or as a result of this Agreement including, without limitation, all claims arising under any federal or state franchising laws or any other federal, state or local law, rule or ordinance, provided, however, that Franchisor and the Franchisee may exclude from the coverage of the release any prior or concurrent written agreements between them, and

(vii) The transferee franchisee has demonstrated to Franchisor's satisfaction that he, she or it meets Franchisor's managerial, financial, and business standards for new area franchisees, possesses a good business reputation and credit rating, and possesses the aptitude and ability to develop, own and operate Chicken in a Barrel BBQ Restaurants within the Exclusive Development Territory (as may be evidenced by prior related business experience or otherwise)

7 5 ACKNOWLEDGMENTS OF RESTRICTIONS

Franchisee acknowledges and agrees that the restrictions on transfer herein are reasonable and are necessary to protect the System and the Marks, as well as Franchisor's reputation and image, and are for the protection of Franchisor, the Franchisee and all other franchisees who own and operate Chicken in a Barrel BBQ Restaurants Any assignment or transfer permitted by this Article 7 will not be effective until Franchisor receives a completely executed copy of all transfer documents and Franchisor consents to the transfer in writing Any attempted assignment or transfer made without complying with the requirements of this Article 7 will be void

7 6 TRANSFER FEE

If, pursuant to the terms of this Article 7, this Agreement is assigned, transferred or bequeathed to another person or entity, or if the Franchisee's shareholders transfer in the aggregate controlling interest in the Franchisee to a third party, then the Franchisee will pay Franchisor a transfer fee of Ten Thousand Dollars ($10,000 00) This fee is to cover the costs incurred by Franchisor for attorneys' fees, accountants' fees, out-of-pocket expenses, long distance telephone calls, administrative expenses, and the time of its employees and officers

7 7 TRANSFER TO COMPETITOR PROHIBITED

Franchisee will not sell, assign or transfer this Agreement to any person, partnership, corporation or entity that owns, operates, franchises, develops, consults with, manages, is involved in, or controls any casual theme or family restaurant business that is in any way competitive with a Chicken in a Barrel BBQ Restaurant If Franchisor refused to permit a transfer of this Agreement under this Article 7 7, the Franchisee's only remedy will be to have a Court of competent jurisdiction determine whether the proposed transferee is a competitor of Franchisor

7 8 FRANCHISOR'S RIGHT OF FIRST REFUSAL

Franchisor shall have and is hereby granted a right of first refusal with respect to any sale, assignment or transfer Should Franchisee desire to accept a bona fide offer for sale, assignment or transfer, Franchisee shall promptly notify Franchisor of the offer and shall provide such information and documents relating to the offer as Franchisor may require Within thirty (30) days after receipt of notice, information and documents, Franchisor will notify Franchisee if it intends to exercise its right of first refusal of the proposed sale, assignment or transfer Provided, however, that such transaction shall be consummated within a reasonable period of time after Franchisor has given such notice Any material change in the terms of any offer or any change in the identity of the proposed transferee shall constitute a new offer subject to Franchisor's right of first refusal Franchisor's failure to exercise such right shall not constitute a waiver of any other provisions of this Agreement, including any rights with respect to future offers In the event such offers provides for payment of consideration other than cash, Franchisor may elect to purchase the interest for the reasonable equivalent in cash If the parties cannot agree within thirty (30) days of the receipt of notice of Franchisor s election to exercise such right of first refusal on such reasonable equivalent in cash, an Appraiser designated by Franchisor shall determine such amount, and his determination shall be final and binding If Franchisor elects to exercise the right of first refusal described above, the cost of the appraisal, if any, shall be set off against any payment made by Franchisor hereunder

ARTICLE 8
FRANCHISOR'S TERMINATION RIGHTS

8 1 CONDITIONS OF BREACH

Franchisee acknowledges and agrees that each of Franchisee's obligations set forth in this Agreement is a material and essential obligation of Franchisee, that non-performance of such obligations will adversely and substantially affect the Franchisor and the System, and Franchisee agrees that the exercise by Franchisor of the rights and remedies set forth herein are appropriate and reasonable

8 2 FRANCHISOR'S IMMEDIATE TERMINATION RIGHTS

Franchisee shall be in breach of this Agreement and Franchisor shall have the absolute right, unless precluded by applicable law, to terminate this Agreement without affording Franchisee an opportunity to cure the breach Said termination shall be effective immediately upon notice to Franchisee, upon the occurrence of any of the following

(i) Termination pursuant to Article 4 6 of this Agreement

(ii) Franchisee or any principal or officer of Franchisee is convicted of any felony or misdemeanor involving moral turpitude or other act that is likely to injure the reputation of Franchisor, and Franchisee does not remove that individual from their position, within 10 days from the date of final conviction or prohibited act,

(iii) Franchisee is deemed insolvent within the meaning of any state or federal law, any involuntary petition for bankruptcy is filed against the Franchisee, or the Franchisee files for bankruptcy or is adjudicated under any state or federal law,

(iv) Franchisee makes an assignment for the benefit of creditors, or admits in writing of its inability to pay its debts when due, or if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee, or if a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction, or if proceedings for a composition with creditors under any state or federal law should be instituted by or against,

(v) Franchisee at any time ceases to operate or otherwise abandons any Restaurant, or loses the right to possession of the premises of any Restaurant, of forfeits the right to do or transact business in any jurisdiction in which a Restaurant is located Franchisee shall not be deemed to have ceased operating a Restaurant or to have abandoned a Restaurant if the reason that the Restaurant is not currently operating is beyond the direct or indirect control of Franchisee, and within 30 days from the date the Restaurant was closed, ceased operating and/or was abandoned, Franchisee shall have taken the reasonable and necessary action required to have the Restaurant operating, and if the corrective action cannot be completed within 30 days, Franchisee has initiated the action and thereafter earnestly and continuously proceeds to complete the action necessary to have the Restaurant open and operating,

(vi) Franchisee violates a provision, term or condition of this Agreement two (2) or more times during a twelve (12) month period, without regard to whether the violations were of a similar or different nature or whether the violations were corrected within the prescribed cure period after receipt of written notice of the violations Nothing contained in this Article 8 2(F) shall be utilized and/or interpreted to provide Franchisee with any additional or supplemental cure period respecting any event or default specifically enumerated in this Article 8 2 or any other Article contained in this Agreement,

(viii) Franchisee is involved in any act or conduct which materially impairs the goodwill associated with Franchisor's Marks or the System and the Franchisee fails to correct the breach within twenty-four (24) hours of receipt of written notice from Franchisor of the breach

(ix) If an imminent danger to public health or safety results from the construction conversion, maintenance, or operation of any Restaurant,

(x) If Franchisee knowingly maintains false books or records, or knowingly submits any false reports to Franchisor, or

(xi) Any Franchise Agreement executed by the Franchisee in connection with this Agreement is (1) terminated by Franchisor, or (2) wrongfully terminated by the Franchisee

8 3 NOTICE OF IMMEDIATE TERMINATION

If this Agreement is terminated by Franchisor pursuant to Article "8 2' above, then Franchisor will give the Franchisee written notice by personal service or prepaid registered or certified mail that this Agreement is terminated and in that event the effective date of termination of this Agreement will be the day the written notice of termination is received by the Franchisee

8 4 FRANCHISOR'S TERMINATION RIGHTS WITH CURE PERIOD

Except as provided in Article '8 2' and "8 3" of this Agreement, Franchisor will have the right to terminate this Agreement only by giving written notice of termination stating the nature of such breach to Franchisee as fully set forth in Article "8 5" Franchisee shall be deemed to be in breach of this Agreement with the opportunity to cure upon thirty (30) days notice of Franchisee's violation of any material provision, term or condition of this Agreement including, but not limited to, the breach of any other agreement between Franchisor and Franchisee including any Franchise Agreement Notwithstanding the foregoing, if the breach relates to

Franchisee's failure to pay any fees due to Franchisor then the cure period shall be reduced to ten (10) days

8 5 NOTICE OF BREACH

Except as provided in Article 8 2 and Article 8 3 of this Agreement, Franchisor will not have the right to terminate this Agreement unless and until

(i) written notice by personal service or prepaid registered or certified mail setting forth the alleged breach in detail has been delivered to the Franchisee by Franchisor, and

(ii) after receiving the written notice, the Franchisee fails to cure the alleged breach within the period to cure an alleged breach, except where the written notice states that the Franchisee is delinquent in the payment of any fees or other payments payable to Franchisor pursuant to this Agreement, in which case the Franchisee will have ten (10) days after receipt of such written notice by personal service or registered mail to cure the breach by making full payment (including interest as provided for herein) to Franchisor If the Franchisee fails to cure the alleged breach set forth in the written notice within the applicable period of time, then this Agreement may be terminated by Franchisor as provided for in Article 8 6 of this Agreement For the purposes of this Agreement, an alleged breach of this Agreement by the Franchisee will be deemed to be "cured" if both Franchisor and the Franchisee agree in writing that the alleged breach has been cured

8 6 NOTICE OF TERMINATION

If Franchisor has complied with the provisions of this Article and if the Franchisee has not cured the alleged breach set forth in the written notice within the time period specified in this Agreement, then Franchisor will have the absolute right to terminate this Agreement by giving the Franchisee written notice by personal service or prepaid registered or certified mail stating to the Franchisee that this Agreement is terminated and in that event the effective date of termination of this Agreement will be the day the written notice of termination is received by the Franchisee

8 7 DAMAGES

In the event this Agreement is terminated by Franchisor pursuant to this Article 8, or if the Franchisee breaches this Agreement by a wrongful termination of this Agreement, then Franchisor will be entitled to seek recovery from the Franchisee for all of the damages that Franchisor has sustained and will sustain in the future as a result of the Franchisee's breach of this Agreement, taking into consideration the Initial Fees, Royalty Fees and other fees that would have been payable by the Franchisee pursuant to this Agreement

8 8 OTHER REMEDIES

Nothing in this Article "8" will preclude Franchisor from seeking other remedies under state or federal laws or under this Agreement against the Franchisee including, but not limited to, attorneys' fees, punitive damages and injunctive relief Additionally, in the event of Franchisee's breach of any provision of this Agreement, Franchisor may, in its sole discretion and in addition to, or in lieu of, exercising its termination rights described above, take all or any of the following actions without providing Franchisee advance or an opportunity to cure the breach before such action is taken

(i) Franchisor may temporarily or permanently suspend any existing credit arrangements or accommodations previously extended to Franchisee, and/or refrain from offering or making available to Franchisee any credit arrangements or accommodations that may be offered or made available to other System franchisees,

(ii) Franchisor may modify payment terms for approved products or other merchandise purchased by Franchisee (which may include, without limitation, requiring cash on delivery),

(iii) Franchisor may disqualify Franchisee from being eligible for, or from participating in, special award and promotions programs that may be offered or made available to other System franchisees, or

(iv) Franchisor may require payment of the Noncompliance Fee

ARTICLE 9
FRANCHISEE'S RIGHTS AND OBLIGATIONS UNDER TERMINATION

9 1 OBLIGATIONS UPON TERMINATION

In the event this Agreement is terminated for any reason, then the Franchisee will

(i) within five (5) days after termination, pay all fees and other amounts due and owing to Franchisor under this Agreement or any other contract, promissory note or other obligation payable by the Franchisee to Franchisor, and

(ii) comply with all other applicable provisions of this Agreement, including those provisions with obligations that continue beyond the termination of this Agreement

9 2 REVERSION OF RIGHTS

Upon termination of this Agreement for any reason, all rights to develop additional Chicken in a Barrel BBQ Restaurants in the Exclusive Development Territory and all other rights granted to the Franchisee pursuant to this Agreement will automatically revert to Franchisor, and

Franchisor will have the right to develop the Exclusive Development Territory or to contract with another franchisee for the future development of the Exclusive Development Territory

9 3 FRANCHISE AGREEMENTS NOT AFFECTED

Franchisee will continue to operate the Chicken in a Barrel BBQ Restaurants owned and operated by the Franchisee in the Exclusive Development Territory pursuant to the terms of the applicable Franchise Agreements signed by the Franchisee and Franchisor prior to the termination of this Agreement, and the rights and obligations of the Franchisee and Franchisor with respect to the Franchisee's Chicken in a Barrel BBQ Restaurants in the Exclusive Development Territory will be governed by the terms of the applicable Franchise Agreements

ARTICLE 10
FRANCHISEE'S COVENANTS NOT TO COMPETE

10 1 IN-TERM COVENANT NOT TO COMPETE

Franchisee acknowledges and agrees that Franchisor would be unable to protect the Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among franchisees of Chicken in a Barrel BBQ Restaurants if franchisees and/or their Principals (and members of their Immediate Families) were permitted to engage in, hold interests in or perform services for any Competitive Business Franchisee further acknowledges and agrees that the restrictions contained in this Article 10 will not hinder or restrict Franchisee's activities or the activities of Franchisee's Principals (or members of their Immediate Families) under this Agreement or in general provided, however, that Franchisor may, under certain circumstances, exclude from the coverage of Article "10 2' and Article "10 3" existing operational restaurant(s) owned and operated by the Franchisee as of the date of this Agreement, and the Franchisee may, with the written consent of Franchisor, continue to own and operate such restaurants during the term of this Agreement and thereafter Franchisee therefore agrees that during the term of this Agreement, neither Franchisee, Franchisee's affiliates, nor any Principal, nor any member of the Immediate Family of Franchisee or of a Principal, shall directly or indirectly

(1) Have any interest as a record or beneficial owner in any Competitive Business (this restriction shall not be applicable to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market and quoted on a national inter-dealer quotation system that represent less than three outstanding),

(2) Perform services as a director, officer, manager, employee, consultant, representative, agent, or otherwise for any Competitive Business,

(3) Divert or attempt to divert any business or any customers of any Chicken in a Barrel BBQ Restaurant to any Competitive Business, or

(4) Employ or seek to employ any person who is employed by Franchisor, its affiliates or by any other developer or franchise of Chicken in a Barrel BBQ Restaurants, nor induce any such person to leave said employment without the prior written consent of such person's employer

Notwithstanding the foregoing, nothing contained herein shall prohibit a member of the Immediate Family of Franchisee or of a Principal from being employed by a Competitive Business at a non-managerial level below that of a Chicken in a Barrel BBQ Restaurant manager Franchisee acknowledges and agrees that the failure of any person or entity restricted pursuant to this Article 10 1 to comply with the restrictions of this Article 10 1 (regardless of whether that person or entity actually has executed this Agreement) shall constitute a breach of this Agreement

Franchisee expressly acknowledges and agrees that Franchisee and Franchisee s Principals and Immediate Family shall be and/or are subject to in-term restrictive covenants (covenants not to compete) as same are set forth in each respective Chicken in a Barrel BBQ Franchise Agreement (whether or not same has already been executed or is to be executed) and that nothing contained in this Agreement shall be construed as to modifying restricting reducing and/or modifying the terms and conditions of the restrictive covenants and non-competition covenants set forth in each respective Chicken in a Barrel BBQ Franchise Agreement between Franchisee and Franchisor

<u>10 2 POST-TERM COVENANT NOT TO COMPETE</u>

Upon expiration or termination of this Agreement, by either Franchisor or Franchisee, neither Franchisee, its affiliates, nor any Principal nor any member of the immediate family of Franchisee or any Principal, shall directly or indirectly for a period of thirty-six (36) months (with said restrictive covenant time period accruing when you first begin to comply with your restrictive covenant obligations and with said restrictive covenant time period being tolled during any period of noncompliance) commencing on the effective date of such termination or expiration, or the date on which Franchisee ceases to operate Franchisee's Chicken in a Barrel BBQ Restaurant, whichever is later

(1) Have any interest (legal, equitable or otherwise) as a disclosed or beneficial owner in any Competitive Business located anywhere in the United States,

(2) Have any interest (legal, equitable or otherwise) as a disclosed or beneficial owner in any restaurant that is operating at any premises formerly occupied by Franchisee's Chicken in a Barrel BBQ Restaurant(s),

(3) Perform services as a director, officer, manager, employee, consultant, representative, agent, or otherwise for any Competitive Business located anywhere in the United States, and

(4) Perform services as a director, officer, manager, employee, consultant, representative, agent, or otherwise for any restaurant that is operating at the premises formerly occupied by any one of Franchisee s Chicken in a Barrel BBQ Restaurants

(5) Divert or attempt to divert any business or any customers of any Chicken in a Barrel BBQ Restaurant(s) to any Competitive Business, or

(6) Employ or seek to employ, any person who is employed by Franchisor, Franchisor's affiliates or any developer or franchisee of Chicken in a Barrel BBQ Restaurants, nor induce, nor attempt to induce any such person to leave said employment without the prior written consent of such person's employer

The restrictions of this Article 10 2 will not be applicable to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market and quoted on a national inter-dealer quotation system that represent less than three percent (3%) of the number of shares of that class of securities issued and outstanding

Franchisee expressly acknowledges and agrees that Franchisee and Franchisee s Principals and Immediate Family shall be and/or are subject to in-term restrictive covenants (covenants not to compete) as same are set forth in each respective Chicken in a Barrel BBQ Franchise Agreement (whether or not same has already been executed or is to be executed) and that nothing contained in this Agreement shall be construed as to modifying restricting, reducing and/or modifying the terms and conditions of the restrictive covenants and non-competition covenants set forth in each respective Chicken in a Barrel BBQ Franchise Agreement between Franchisee and Franchisor

<u>10 3 INJUNCTIVE RELIEF</u>

Franchisee, the Franchisee's partners or shareholders and the Personal Guarantors agree that the provisions of this Article are necessary to protect the legitimate business interests of Franchisor and Franchisor's franchisees including, without limitation, preventing the unauthorized dissemination of marketing, promotional and other confidential information to competitors of Franchisor and Franchisor's franchisees, protecting Franchisor's trade secrets and the integrity of Franchisor's franchise system, preventing duplication of the System by unauthorized third parties, and preventing damage to and/or loss of goodwill associated with the Marks Franchisee, the Franchisee s partners or shareholders and the Personal Guarantors also agree that damages alone cannot adequately compensate Franchisor if there is a violation of this Article by the Franchisee and that injunctive relief against the Franchisee, the Franchisee's partners or shareholders and the Personal Guarantors is essential for the protection of Franchisor and Franchisor's franchisees Franchisee, the Franchisee's partners or shareholders and the Personal Guarantors agree therefore, that if Franchisor alleges that the Franchisee, the Franchisee's partners or shareholders or the Personal Guarantors have breached or violated this Article, then Franchisor will have the right to petition a Court of competent jurisdiction for injunctive relief against the Franchisee, the Franchisee's partners or shareholders or the Personal Guarantors have breached or violated this Article, then Franchisor will have the right to petition a Court of competent jurisdiction for injunctive relief against the Franchisee, the Franchisee's partners or shareholders or the Personal Guarantors, in addition to all other remedies that may be available to Franchisor Franchisor will not be required to post a bond or other security in any such injunctive proceeding In cases where Franchisor is granted <u>ex parte</u> injunctive relief against the Franchisee, the Franchisee's partners or shareholders or the Personal Guarantors, then the

Franchisee, the Franchisee's partners or shareholder or the Personal Guarantors will have the right to petition the Court for a hearing on the merits at the earliest time convenient to the Court

10 4 SEVERABILITY

It is the desire and intent of the parties to this Agreement, including the Franchisee's partners or shareholders and the Personal Guarantors, that the provisions of this Article be enforced to the fullest extent permissible under the laws and public policy applied in each jurisdiction in which enforcement is sought Accordingly, if any part of the Article is adjudicated to be invalid or unenforceable, then this Article will be deemed amended to modify or delete that portion thus adjudicated to be invalid or enforceable, such modifications or deletion to apply only with respect to the operation of this Article and the particular jurisdiction in which such adjudication is made Further, to the extent any provision of this Article is deemed unenforceable by virtue of its scope or limitation, the parties to this Agreement, including the Franchisee, the Franchisee's partners or shareholders and the Personal Guarantors, agree that the scope and limitation provisions will, nevertheless, be enforceable to the fullest extent permissible under the laws and public policies applied in such jurisdiction where enforcement is sought

ARTICLE 11
INDEPENDENT CONTRACTORS, INDEMNIFICATION

11 1 INDEPENDENT CONTRACTORS

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

11 2 INDEMNIFICATION

Franchisor will not be obligated to any person or entity for any damages arising out of, from, in connection with, or as a result of the Franchisee's negligence or the operation of the Franchisee's Chicken in a Barrel BBQ Restaurants Therefore, the Franchisee will indemnify and hold Franchisor harmless against and will reimburse Franchisor for, all damage for which Franchisor is held liable and for all costs reasonably incurred by Franchisor in the defense of any claim or action brought against Franchisor arising from, in connection with, arising out of, or as a result of the Franchisee's negligence or the operation of the Franchisee's Chicken in a Barrel BBQ Restaurants including, without limitation, attorneys' fees, investigation expenses, court costs, deposition expenses, and travel and living expenses Franchisee will indemnify Franchisor, without limitation, for all claims arising from (A) any personal injury, property damage, commercial loss or environmental contamination resulting from any act or omission of the Franchisee or its employees, agents or representatives (B) any failure on the part of the

Franchisee to comply with any requirement of any governmental authority, (C) any failure of the Franchisee to pay any of its obligations, or (D) any failure of the Franchisee to comply with any requirement or condition of this Agreement or any other agreement with Franchisor or any affiliate of Franchisor Franchisor will have the right to defend any claim made against it arising as a result of, in connection with or from the Franchisee's negligence or the operation of the Franchisee's Chicken in a Barrel BBQ Restaurants In addition, the Franchisee will pay all costs and expenses incurred by Franchisor in enforcing any term, condition or provision of this Agreement or in seeking to enjoin any violation of this Agreement by the Franchisee, including attorneys' fees actually incurred by Franchisor

11 3 PAYMENT OF COSTS AND EXPENSES

Franchisee will pay the attorneys' fees, costs and expenses incurred by Franchisor in enforcing any term, condition or provision of this Agreement or enjoining any violation of this Agreement by the Franchisee In any action brought pursuant to this Agreement where Franchisor prevails against the Franchisee, the Franchisee will indemnify Franchisor for all costs that it incurs in any lawsuit or proceeding under this Agreement including, without limitation, attorneys' fees, expert witness fees, costs of investigation, court costs, litigation expenses, travel and living expenses, and all other costs incurred by Franchisor

11 4 CONTINUATION OF OBLIGATIONS

The indemnification and other obligations contained herein will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement

ARTICLE 12
NOTICES

All written notices and reports permitted or required to be delivered by the provisions of this Agreement or of the Operations Manual shall be deemed so delivered at the time delivered by hand, one (1) business day after being placed in the hands of a commercial courier service for overnight delivery, or three (3) business days after placed in the U S mail by Registered or Certified Mail, 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 Reports requiring delivery shall be delivered by U S mail The addresses for the parties set forth on the Development Summary shall be used unless and until a different address has been designated by written notice to the other party

In all cases where Franchisor's prior approval is required and no other method or timing for obtaining such approval is prescribed, Franchisee shall request such approval in writing, and Franchisor shall respond within ten (10) business days after receiving Franchisee's written request and all supporting documentation, provided if Franchisor does not respond, such request will be deemed disapproved Franchisor's consent to or approval of any act or request by Franchisee shall be effective only to the extent specifically stated, and shall not be deemed to waive or render unnecessary consent or approval of any other subsequent similar act or request

ARTICLE 13
ENFORCEMENT

13 1 INJUNCTIVE RELIEF

Franchisor will have the right to petition a Court of competent jurisdiction for the entry of temporary and permanent injunctions and orders for specific performance enforcing the provisions of this Agreement relating to

(i) the Franchisee's improper or unauthorized use of the Marks and the System,

(ii) the obligations of the Franchisee upon termination or expiration of this Agreement,

(iii) the assignment, transfer of sale of this Agreement,

(iv) the Franchisee's violation of the provisions of this Agreement relating to confidentiality and covenants not to compete, and

(v) any act or omission by the Franchisee or the Franchisee's employees that (a) constitutes a violation of any applicable law, ordinance or regulation, (b) is dishonest or misleading to guests or customers of the Franchisee's Chicken in a Barrel BBQ Restaurants or other Chicken in a Barrel BBQ Restaurants, (c) constitutes a danger to the employees, public, guests or customers of the Franchisee's Chicken in a Barrel BBQ Restaurants, or (d) may impair the goodwill associated with the Marks and the System In any action brought under this provision where Franchisor prevails against the Franchisee, the Franchisee will indemnify Franchisor for all costs that it incurs in any such proceedings including, without limitation, reasonable attorneys' fees, expert witness fees, costs of investigation, court costs, travel and living expenses, and all other costs incurred by Franchisor Franchisor will be entitled to seek injunctive relief against the Franchisee under this Article without the posting of any bond or security

13 2 SEVERABILITY

All provisions of this Agreement are severable and this Agreement will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein and partially valid and enforceable provisions will be enforced to the extent valid and enforceable If any applicable law or rule of any jurisdiction requires a greater prior notice of the termination of this Agreement than is required hereunder or the taking of some other action not required hereunder, or if under any applicable and binding laws of any jurisdiction, any provision of this Agreement or any specification, standard or operating procedure prescribed by Franchisor is invalid or unenforceable, the prior notice or other action required by such law or rule will be substituted for the notice requirements hereof, or such invalid or unenforceable provision, specification, standard or operating procedure will be modified to the extent required to be valid and enforceable Such modifications to this Agreement will be effective only in such jurisdiction and will be enforced as originally made and entered into in all other jurisdictions

13 3 WAIVER

Franchisor and the Franchisee may, by written instrument signed by Franchisor and the Franchisee, waive any obligation of or restriction upon the other under this Agreement Acceptance by Franchisor of any payment by the Franchisee and the failure, refusal or neglect of Franchisor to exercise any right under this Agreement or to insist upon full compliance by the Franchisee of its obligations hereunder will not constitute a waiver by Franchisor of any provisions of this Agreement Franchisor will have the right to waive obligations or restrictions for other franchisees under their Franchise Agreements or Development Agreements without waiving those obligations or restrictions for the Franchisee and, except to the extent provided by law, Franchisor will have the right to negotiate terms and conditions, grant concessions and waive obligations for other franchisees of Franchisor without granting those same rights to the Franchisee and without incurring any liability to the Franchisee whatsoever

13 4 NO RIGHT TO OFFSET

Franchisee will not, on grounds of the alleged nonperformance by Franchisor of any of its obligations under this Agreement, any other contract between Franchisor and the Franchisee, or for any other reason, withhold payment of any amounts due Franchisor under this Agreement or any other contract, promissory note or other obligation payable by the Franchisee to Franchisor Franchisee will not have the right to "offset" or withhold any liquidated or unliquidated amounts allegedly due to the Franchisee from Franchisor against any payments due to Franchisor under this Agreement or any other contract, promissory note or other obligation payable by the Franchisee to Franchisor

13 5 FRANCHISOR'S CUMULATIVE RIGHTS

The rights of Franchisor hereunder are cumulative and no exercise or enforcement by Franchisor of any right or remedy hereunder will preclude the exercise or enforcement by Franchisor of any other right or remedy hereunder or which Franchisor is entitled by law to enforce

13 6 VENUE AND JURISDICTION

FRANCHISEE AGREES THAT FRANCHISEE SHALL, AND FRANCHISOR MAY, AT ITS OPTION, INSTITUTE ANY ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT EXCLUSIVELY IN THE CIRCUIT COURT OF HAWAII, KAUAI COUNTY, THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF HAWAII OR THE FEDERAL DISTRICT COURT NEAREST TO FRANCHISOR'S HEADQUARTERS AT THE TIME THE ACTION IS FILED FRANCHISEE IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT AND WAIVES ANY OBJECTION IT MAY HAVE TO EITHER THE JURISDICTION OR VENUE OF ANY SUCH COURT

13 7 BINDING AGREEMENT

This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest

13 8 JOINT AND SEVERAL LIABILITY

If Franchisee consists of more than one person their liability under this Agreement will be deemed to be joint and several

13 9 NO ORAL MODIFICATION

No modification, change, addition, rescission, release, amendment or waiver of this Agreement and no approval, consent or authorization required by any provision of this Agreement may be made except by a written agreement subscribed to by duly authorized officers or partners of the Franchisee and the President of Franchisor Franchisee and Franchisor will not have the right to amend or modify this Agreement orally or verbally, and any attempt to do so will be void in all respects

13 10 ENTIRE AGREEMENT

This Agreement supersedes and terminates all prior agreements relating to the development rights granted herein to the Franchisee, either oral or in writing, between the parties and therefore, any representations, inducements, promises or agreements between the parties not contained in this Agreement or not in writing signed by Franchisor and the Franchisee will not be enforceable

13 11 CONTROLLING AGREEMENT

The rights and obligations of the Franchisee and Franchisor with respect to the operation of each Chicken in a Barrel BBQ Restaurant opened in the Exclusive Development Territory by the Franchisee will be governed by the terms and conditions of each Franchise Agreement executed by the Franchisee In the event there is a conflict between the terms of this Agreement and the terms of any Franchise Agreement executed by Franchisor and Franchisee, then the terms of each respective Franchise Agreement will control

13 12 HEADING, TERMS

The heading of the Articles and the provisions thereof are for convenience only and do not define, limit or construe the contents of such Articles The term "Franchisee" as used herein is applicable to one or more individuals, a corporation or a partnership, as the case may be, and the singular usage includes the plural, and the masculine usage includes the neuter and the feminine and the neuter usage includes the masculine and the feminine References to "Franchisee" which are applicable to an individual or individuals will mean the principal owner or owners of the equity or operating control of the Franchisee if the Franchisee is a corporation or partnership

13 13 WAIVER OF PUNITIVE DAMAGES

FRANCHISOR AND FRANCHISEE HEREBY WAIVE TO THE FULLEST PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, CONSEQUENTAL OR SPECULATIVE DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM, EXCEPT AS OTHERWISE PROVIDED HEREIN, EACH SHALL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED BY IT PROVIDED THAT SUCH WAIVER SHALL NOT APPLY TO ANY CLAIM (A) ALLOWED FRANCHISOR OR FRANCHISEE FOR ATTORNEY'S FEES OR COSTS AND EXPENSES UNDER THIS AGREEMENT, AND/OR (B) FOR LOST PROFITS BY FRANCHISOR OR FRANCHISEE AND THE OWNERS UPON OR ARISING OUT OF THE TERMINATION OF THIS AGREEMENT NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, IF ANY OTHER TERM OF THIS AGREEMENT IS FOUND OR DETERMINED TO BE UNCONSCIONABLE OR UNENFORCEABLE FOR ANY REASON, THE FOREGOING PROVISIONS OF WAIVER BY AGREEMENT OF PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR OTHER SIMILAR DAMAGES SHALL CONTINUE IN FULL FORCE AND EFFECT

13 14 WAIVER OF JURY TRIAL

FRANCHISOR AND FRANCHISEE HEREBY IRREVOCABLY WAIVE TRIAL BY JURY ON ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM

ARTICLE 14
ACKNOWLEDGMENTS, DISCLAIMER

14 1 DISCLAIMER BY FRANCHISOR

Franchisor does not warrant or guarantee to the Franchisee that the Franchisee will derive income or profit from Chicken in a Barrel BBQ Restaurants, or that Franchisor will refund all or part of the Exclusive Development Territory Fee, the Initial Fees or the price paid for the Franchisee's Chicken in a Barrel BBQ Restaurants, or repurchase any of the supplies, products, technology or equipment supplied or sold by Franchisor or an approved supplier if the Franchisee is unsatisfied with its Restaurants Franchisor expressly disclaims the making of any express or implied representations or warranties regarding the sales, earnings, income, profits, Gross Sales, business or financial success, or value of the Franchisee's Restaurants except as stated in the Chicken in a Barrel BBQ Franchise Disclosure Document received by the Franchisee

14 2 ACKNOWLEDGMENTS BY FRANCHISEE

Franchisee acknowledges that it has conducted an independent investigation of the Chicken in a Barrel BBQ Restaurants and recognizes that the business venture contemplated by this Agreement involves business and economic risks Franchisee acknowledges that the financial, business and economic success of the Franchisee's Chicken in a Barrel BBQ Restaurants will be primarily dependent upon the personal efforts of the Franchisee, its management and its employees, and on economic conditions in the Exclusive Development Territory and economic conditions in general Franchisee acknowledges that it has not received any estimates, projections, representations, warranties or expenses, financial or business success, value of the Restaurants, or other economic matters pertaining to the Franchisee's Restaurants from Franchisor or any of its agents that were not expressly set forth in Franchisor's Franchise Disclosure Document received by the Franchisee (hereinafter referred to in this provision as "Representations") Franchisee further acknowledges that if it had received any such Representations, it would not have executed this Agreement, and that it would have promptly notified the President of Franchisor in writing of the person or persons making such Representations, and provided to Franchisor a specific written statement detailing the Representations made

14 3 OTHER AREA DEVELOPERS

Franchisee acknowledges that Franchisor either has will be granting area development rights to other franchisees and may do so at all different times, as to different locations and territories, under different economics and in different situations, and the economics and terms and conditions of such area development agreements may vary substantially in form and in substance from those contained in this Agreement

14 4 NONTRADITIONAL DEVELOPMENT, RIGHT OF FIRST REFUSAL

Supplementing and without limitation to Article 2 3 of this Agreement, Franchisee acknowledges that Franchisor or its affiliates shall have the absolute right to own, operate, develop, license, and franchise nontraditional restaurant locations (for example, but not limited to, airports, shopping center food courts, military bases, universities, and entertainment centers) for Chicken in a Barrel BBQ Restaurants and other restaurant concepts at any location in the world, including locations that may be in the Franchisee's Exclusive Development Territory, and locations that may be near or adjacent to the Franchisee's Restaurant, even if the location competes for customers with the Franchisee If Franchisor determines that the Exclusive Development Territory will be further developed by integrating nontraditional Chicken in a Barrel BBQ Restaurant locations into the Exclusive Development Territory, the Franchisee will have the right of first refusal to develop, own, and operate any nontraditional Chicken in a Barrel BBQ Restaurant locations proposed for the Exclusive Development Territory by Franchisor, provided, however, that Franchisee has complied with all material terms of this Agreement and is not otherwise in breach of any term of this Agreement Franchisee shall have thirty (30) days written notice to accept, in writing, Franchisor's proposal to develop nontraditional Chicken in a Barrel BBQ Restaurant locations in the Exclusive Development Territory

14 5 RECEIPT OF FRANCHISE DISCLOSURE DOCUMENT

Fianchisee acknowledges that it has received a copy of Franchisor's Franchise Disclosure Document at least fourteen (14) calendar days prior to the date on which this Agreement was executed

14 6 POTENTIAL INCREASES IN INVESTMENT REQUIREMENTS

Fianchisee recognizes and acknowledges that this Agreement requires Franchisee to open additional Chicken in a Barrel BBQ Restaurants in the future pursuant to the Development Schedule set forth in Article 4 Franchisee acknowledges that the estimated expenses and investment requirements set forth in Franchisor's Franchise Disclosure Document are subject to increase over time, and that future Chicken in a Barrel BBQ Restaurants developed by the Franchisee may involve greater initial investment and operating capital requirements than those stated in the Franchise Disclosure Document provided to the Franchisee prior to the execution of this Agreement

ARTICLE 15
FRANCHISEES' LEGAL COUNSEL

Franchisee acknowledges that this Agreement constitutes a legal document, which grants certain rights to and imposes certain obligations upon the Franchisee Franchisee has been advised by Franchisor to retain an attorney or advisor prior to the execution of this Agreement to review Franchisor's Franchise Disclosure Document, to review this Agreement in detail, to review all legal documents, to review the economics, operations and other business aspects of the Restaurant, to determine compliance with franchising and other applicable laws, and to advise the Franchisee regarding its economic risks, liabilities, obligations and rights under this Agreement and to advise the Franchisee on tax issues, financing matters, applicable state and federal laws, health and safety laws, environmental laws, employees issues, insurance, structure of the restaurant business, and other business matters

ARTICLE 16
GOVERNING LAW AND STATE MODIFICATIONS

16 1 GOVERNING LAW

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U S C § 1051 et seq), this Agreement and the relationship between Franchisor and the Franchisee will be governed by the laws of the State of Hawaii However, if the Exclusive Development Territory is located in the state of California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota Oregon, Rhode Island, South Dakota, Virginia, Washington or Wisconsin, then this Agreement and the relationship of the parties will be governed by the laws of the state, unless the Exclusive Development Territory contains more than one of the states listed above, in which case the laws of the state in which the Franchisee's principal place of business is located will govern The provisions of this Agreement which conflict with or are inconsistent with applicable governing law will be superseded and/or modified by such applicable law only to the extent such provisions are inconsistent All other provisions of this Agreement will be enforceable as originally made and entered into upon the execution of this Agreement by the Franchisee and Franchisor

IN WITNESS WHEREOF, Franchisor, the Franchisee, and the Franchisee's shareholders have respectively signed and sealed this Agreement effective as of the day and year first above written

FRANCHISOR	**FRANCHISEE**
Chicken In A Barrel Franchising, LLC	(If FRANCHISEE is a corporation)
______________________________	______________________________
	Name of Corporation
By ______________________________	By ______________________________
Title ______________________________	Title ______________________________

If Franchisee is an individual / individuals then Franchisee must sign below By signing below, the undersigned individuals do hereby acknowledge that they individually, jointly and severally execute this Franchise Agreement as the Franchisee

______________________________	______________________________
Individual Name, Individually	Individual Name, Individually

Chicken in a Barrel BBQ Development Agreement

Exhibit A

Exclusive Development Territory

The "Exclusive Development Territory", as such term is identified and defined in the Development Agreement, including, but not limited to Article 2 1 of the Development Agreement, is identified, as follows

[IF LEFT INCOMPLETE THERE SHALL BE NO EXCLUSIVE DEVELOPMENT TERRITORY]

Franchisor Chicken In A Barrel Franchising, LLC	Franchisee
By ____________________	By ____________________
Title ____________________	Title ____________________

Chicken in a Barrel BBQ Development Agreement

Exhibit B

Personal Guaranty and Agreement to be Bound Personally by the Terms and Conditions of the Development Agreement

In consideration of the execution of the Development Agreement by Franchisor, and for other good and valuable consideration, the undersigned, for themselves, their heirs, successors, and assigns, do individually, jointly and severally hereby become surety and guaranty for the payment of all amounts and the performance of the covenants, terms and conditions of the Development Agreement, to be paid, kept and performed by the Franchisee

Further, the undersigned, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in the Development Agreement and agree that this Personal Guaranty will be construed as though the undersigned and each of them executed an agreement containing the identical terms and conditions of the Development Agreement

If any default should at any time be made therein by the Franchisee, then the undersigned, their heirs, successors and assigns, do hereby, individually, jointly and severally, promise and agree to pay to Franchisor all monies due and payable to Franchisor under the terms and conditions of the Development Agreement

In addition, if the Franchisee fails to comply with any other terms and conditions of the Development Agreement, then the undersigned, their heirs, successors and assigns, do hereby, individually, jointly and severally, promise and agree to comply with the terms and conditions of the Development Agreement for and on behalf of the Franchisee

In addition, should the Franchisee at any time be in default on any obligation to pay monies to Franchisor or any subsidiary or affiliate of Franchisor, whether for merchandise, products, supplies, furniture, fixtures, equipment or other goods purchased by the Franchisee from Franchisor or any subsidiary or affiliate of Franchisor, or for any other indebtedness of the Franchisee to Franchisor or any subsidiary or affiliate of Franchisor then the undersigned, their heirs, successors and assigns, do hereby, individually, jointly and severally, promise and agree to pay all such monies due and payable from the Franchisee to Franchisor or any subsidiary or affiliate of Franchisor upon default by the Franchisee

This Personal Guaranty shall survive the termination or expiration of this Development Agreement and/or other collateral agreement(s) or any determination that this Development Agreement or any portion of it is void or voidable

It is further understood and agreed by the undersigned that the provisions, covenants and conditions of this Personal Guaranty will inure to the benefit of the successors and assigns of Franchisor

Except as precluded by applicable law, each of the undersigned hereby submits to personal jurisdiction exclusively in the Circuit Court of Hawaii, Kauai County, the United States District Court for the District of Hawaii or the Federal District Court nearest to Franchisor's headquarters at the time the action is filed with respect to any litigation, action or proceeding pertaining to this Personal Guaranty or the Development Agreement

PERSONAL GUARANTORS

Individually	Individually
Address	Address
City State Zip Code	City State Zip Code
Telephone	Telephone
Individually	Individually
Address	Address
City State Zip Code	City State Zip Code
Telephone	Telephone

Chicken in a Barrel BBQ Development Agreement

Exhibit C

Statement of Ownership Interests and Franchisee's Principals

The Following is a list of all Principals who are shareholders partners, member, or other investors in Franchisee, including all investors who own or hold a direct or indirect interest in Franchisee, and a description of the nature of their interest

Name	Percentage of Ownership and Nature of Interest

2 The following is a list of all Principals described in and designated pursuant to the Franchise Agreement

Name

The "Managing Principal" (as such term is defined in the Franchise Agreement) is

Name	Percentage of Ownership Interest

EXHIBIT "F"
TO THE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES

Since we have not previously offered any franchise we have no franchisees and therefore there is no information to report in this Exhibit

EXHIBIT "G"
TO THE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES THAT HAVE LEFT THE SYSTEM

Since we have not previously offered any franchise we have no franchisees and therefore there are no franchisees that have left the system

<u>Former Franchisee Contact Information</u>

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

EXHIBIT "H"
TO THE DISCLOSURE DOCUMENT

STATE SPECIFIC ADDENDUM

New York Disclosure

NEW YORK ADDENDUM
Chicken In A Barrel Franchising, LLC Franchise Disclosure Document

AMENDMENT OF FDD DISCLOSURES

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N Y Comp Code R & Regs tit 13, §§200 1 through 201 16), the Franchise Disclosure Document for Chicken In A Barrel Franchising, LLC for use in the State of New York shall be amended as follows

a Item 3, "Litigation", Item 3 is hereby supplemented by the addition of the following statements incorporated at the beginning of the Item 3

Neither the Franchisor, its predecessor, a person identified in Item 2 above, or an affiliate offering franchises under the Franchisor's principal trademark

A Has an administrative, criminal or civil action pending against that person alleging a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations, 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

B Has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging violation of a franchise, antifraud or securities law, fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations

C Is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency, or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange, or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent

Accordingly, other than the actions described below, no litigation is required to be disclosed in this Disclosure Document

b Item 4, "Bankruptcy", Item 4 is hereby supplemented by the addition of the following statements incorporated at the beginning of the Item 4

Neither we, nor our predecessor or affiliate, nor any of our or their officers or general partners, during the 10 year period immediately before the date of the Disclosure Document (a) filed as debtor (or had filed against it) a petition to start an action under the U S Bankruptcy Code, (b) obtained a discharge of its debts under the bankruptcy code, or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U S Bankruptcy Code or that obtained a discharge of its debts under the U S Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor held this position in the company or partnership

c Item 17, "Renewal, Termination, Transfer and Dispute Resolution," Item 17 is hereby amended by deleting "d", "j", "w" and the following new "d", "j", "w" shall be substituted in lieu thereof in Item 17

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Provision	Section in Franchise or other Agreement	Summary
d Termination by franchisee	Article 16 B	The franchisee may terminate the Franchise Agreement upon any grounds available by law
j Assignment of contract by us	Article 15 A	No restriction on our right to assign so long as assignee (i) is financially responsible, (ii) capable of performing under the Franchise Agreement, and (iii) expressly assumes obligations under the Franchise Agreement However, no assignment will be made except to an assignee who, in the good faith judgment of Franchisor, is willing and financially able to assume Franchisor's obligations under the franchise agreement
w Choice of law	Article 20 F	Hawaii law applies The foregoing choice of law should not be considered as a waiver of any right conferred upon the franchisor or the franchisee by the General Business Law of the State of New York, Article 33

d Item 17(b), "Termination by Franchisee," Item 17(b), is supplemented to add the following statement to Item 17(b)

> No general release shall be required as a condition of renewal, termination and/or transfer that is intended to exclude claims arising under the New York General Business Law, Article 3, Sections 687 4 and 687 5

e Item 5, "Initial Fees," Item 5 is supplemented to add the following statement to Item 5

> The Franchise Fee may be used to defray franchisor's costs in obtaining and screening franchisees, providing training, training materials and assisting in opening the franchised business

f Item 6, 'Other Fees" and Item 11, "Franchisor's Assistance, Advertising, Computer Systems and Training", Items 6 and 11of the Disclosure Document are amended to add the following

The franchisee will not be required to indemnify franchisor for any liability imposed on franchisor as a result of franchisee's reliance upon or use of procedures or products that were required by franchisor, if the procedures or products were utilized by franchisee in the manner required by franchisor

g There are circumstances in which an offering made by us would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the state of New York However, an offer or sale is deemed made in New York if the franchisee is domiciled in New York or the franchise will be opened in New York We are required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33

h Franchisor represents that this Disclosure Document does not knowingly omit anything or contain any untrue statements of a material fact

California Disclosure

CALIFORNIA ADDENDUM
Chicken In A Barrel Franchising, LLC Franchise Disclosure Document

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

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

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

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

d 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

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

f The Franchise Agreement requires litigation to be conducted in a court located within the State of Hawaii and not the State of California This provision might not be enforceable for any cause of action arising under California law

g The franchise agreement requires application of the laws of the State of Hawaii This provision may not be enforceable under California law

h Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise i Furthermore, if applicable, disclose You must sign a general release of claims if you renew or transfer your franchise California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 Through 31516)

Business and Professions Code Section 20010 Voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043

j ITEM 17 California Business and Professions Code Sections 2000 to 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise If the franchise agreement contains a provision that is inconsistent with the law, the law will control

k You must comply with the requirements set forth in the Alcoholic Beverage Control Act and the California Code of Regulations, Title 4 for the sale of alcoholic beverages

l The California local county health departments inspect restaurants and other retail food facilities to ensure compliance with safe food handling practices and adequacy of kitchen facilities

m The following URL address is for the franchisor's website www ChickeninaBarrel com

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT WWW DBO CA GOV

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040 5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California

Maryland Disclosure

MARYLAND ADDENDUM
Chicken In A Barrel Franchising, LLC Franchise Disclosure Document

AMENDMENT OF FDD DISCLOSURES

Item 17, "Renewal, Termination, Transfer and Dispute Resolution," Item 17 is hereby amended and supplemented, as follows

(a) The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law

(b) A Franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law

(c) Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise

(d) In the event of a conflict of laws if required by the Maryland Franchise Registration and Disclosure Law, Maryland law shall prevail

(e) The Franchise Agreement provides for termination upon bankruptcy This provision may not be enforceable under federal bankruptcy law (11 U S C Section 101, et seq)

Washington State Disclosure

WASHINGTON STATE ADDENDUM
Chicken In A Barrel Franchising, LLC Franchise Disclosure Document

AMENDMENT OF FDD DISCLOSURES

Item 17, "Renewal, Termination, Transfer and Dispute Resolution,' Item 17 is hereby amended and supplemented, as follows

(a) In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19 100 RCW shall prevail

(b) A general release or waiver of rights signed by you will not include rights under the Washington Franchise Investment Protection Act

(c) Provisions that unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act including the right to a jury trial may not be enforceable

(d) Transfer fees are collectable if they reflect our reasonable estimated or actual costs in effecting a transfer

(e) The Franchise Agreement requires any litigation to be conducted in a state other than Washington, the requirement shall not limit any rights Franchisee may have under the Washington Franchise Investment Protection Act to bring suit in the State of Washington

(f) The state of Washington has a statue, RCW 19 100 180 which may supersede the franchise agreement in your relationship with the fianchisor 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 aieas of termination and renewal of youi franchise

(g) In any arbitration involving a franchise purchased in Washington, or in a place mutually agreed upon at the time of arbitration, or as determined by the aibitratoi

Illinois Disclosure

ILLINOIS ADDENDUM
Chicken In A Barrel Franchising, LLC Franchise Disclosure Document

DISCLOSURE REQUIRED BY THE STATE OF ILLINOIS

THE REGISTRATION OF THIS BUSINESS OPPORTUNITY DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE STATE OF ILLINOIS THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT HAS NOT BEEN VERIFIED BY THE STATE OF ILLINOIS IF YOU HAVE ANY QUESTIONS OR CONCERNS ABOUT THIS INVESTMENT, SEEK PROFESSIONAL ADVICE BEFORE YOU SIGN A CONTRACT OR MAKE ANY PAYMENT YOU ARE TO BE PROVIDED 14 BUSINESS DAYS TO REVIEW THIS DOCUMENT BEFORE SIGNING ANY CONTRACT OR AGREEMENT OR MAKING ANY PAYMENT TO THE SELLER OR THE SELLER'S REPRESENTATIVE

a Item 17, "Renewal, Termination, Transfer and Dispute Resolution," Item 17 is hereby amended and supplemented, as follows

- Illinois Franchise Disclosure Act of 1987 815 ILCS 705/19 to 705/20, provides rights to the franchisee concerning termination 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 provides for termination upon bankruptcy This provision may not be enforceable under federal bankruptcy law (11 USCA Sec 101 et seq)

- The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise This provision may not be enforceable under Illinois law

b Item 17, "Renewal, Termination, Transfer and Dispute Resolution," Item 17 is hereby amended by deleting "t", "v", "w" and the following new "t", "v", "w" shall be substituted in lieu thereof in Item 17

Provision	Section in Franchise or other Agreement	Summary
t Integration / Merger Clause	Article 20 M	Only the terms of the Franchise Agreement are binding (subject to this Disclosure Document and applicable federal and/or FTC law) Any other promises may not be enforceable See, Illinois Franchise Agreement Amendment
v Choice of Forum	Article 20 G	The choice of forum should not be considered as a waiver of any right conferred upon the franchisor or the franchisee by Illinois Law, which claims shall be brought exclusively in the State and Federal Courts of Illinois See, Illinois Franchise Agreement Amendment
w Choice of law	Article 20 F	The choice of law should not be considered as a waiver of any right conferred upon the franchisor or the franchisee by Illinois Law See, Illinois Franchise Agreement Amendment

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of Illinois and federal laws (such as 14 Illinois Administrative Code 200 100 et seq , Illinois Franchise Disclosure Act of 1987, 815 ILCS 705/4, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of Illinois

Connecticut Disclosure

CONNECTICUT ADDENDUM
Chicken In A Barrel Franchising, LLC Franchise Disclosure Document

AMENDMENT OF FDD DISCLOSURES

Item 3, "Litigation', Item 3 is hereby supplemented by the addition of the following statements incorporated at the beginning of the Item 3

a Neither the Franchisor nor any person identified in Items 1 or 2 above has any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) pending against him alleging a violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, business opportunity law, securities law, misappropriation of property or comparable allegations

b Neither the Franchisor nor any other person identified in Items 1 or 2 above has during the ten (10) year period immediately preceding the date of this Disclosure Document, been convicted of a felony or pleaded nolo contendere to a felony charge or been held liable in any civil action by final judgment, or been the subject of any material complaint or other legal proceeding where a felony, civil action, complaint or other legal proceeding involved violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, business opportunity law, securities law, misappropriation of property or comparable allegations or which was brought by a present or former purchaser-investor or which involves or involved the business opportunity relationship

c Neither the Franchisor nor any person identified in Items 1 or 2 above is subject to any currently effective injunctive or restrictive order or decree relating to the franchise, or under any federal, state or Canadian franchise, securities, business opportunity, antitrust, trade regulation or trade practice law as a result of concluded or pending action or proceeding brought by a public agency, or is a party to a proceeding currently pending in which an order is sought, relating to or affecting business opportunity activities or the seller-purchaser-investor relationship, or involving fraud, including but not limited to, a violation of any business opportunity law, franchise law, securities law or unfair or deceptive practices law, embezzlement, fraudulent conversion, misappropriation of property or restraint of trade

d Neither Company nor any person identified in ITEM 2 above is subject to any currently effective order of any national securities association or national securities exchange (as defined in the Securities & Exchange Act of 1934) suspending or expelling these persons from membership in the association or exchange

Item 4, "Bankruptcy", Item 4 is hereby supplemented by the addition of the following statements incorporated at the beginning of the Item 4

> No entity or person listed in Items 1 and 2 of this Disclosure Document has, at any time during the previous ten (10) fiscal years (a) filed for bankruptcy protection, (b) been adjudged bankrupt, (c) been reorganized due to insolvency, or (d) been a principal, director, executive officer or partner of any other person that has so filed or was adjudged or reorganized, during or within one year after the period that the person held a position with the other person

Minnesota Disclosure

MINNESOTA ADDENDUM
Chicken In A Barrel Franchising, LLC Franchise Disclosure Document

<u>ADDITIONAL RISK FACTORS</u>

1 THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING

2 THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE

<u>AMENDMENT OF FDD DISCLOSURES</u>

a <u>Item 13, "Trademarks",</u> Item 13 is hereby supplemented and amended by the inclusion of the following

> As required by the Minnesota Franchise Act, Minn Stat Sec 80C 12(g), we will reimburse you for any costs incurred by you in the defense of your right to use the marks, so long as you were using the marks in the manner authorized by us, and so long as we are timely notified of the claim and given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim

b Item 17, "Renewal, Termination, Transfer and Dispute Resolution," Item 17 is hereby amended and supplemented, as follows

- With respect to franchises governed by Minnesota law we will comply with Minn Stat Sec 80C 14, Subds 3, 4 and 5, which require, except in certain specified cases, that you be given 90 days notice of termination (with 60 days to cure) and 180 days notice of non-renewal of the Agreement

- ITEM 17 shall not provide for a prospective general release of claims against us that may be subject to the Minnesota Franchise Law Minn Rule 2860 4400D prohibits a franchisor from requiring a franchisee to assent to a general release

- Minn Stat §80C 21 and Minn Rule 2860 4400J prohibit us from requiring litigation to be conducted outside Minnesota In addition, nothing in the Disclosure Document or Franchise 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

Michigan Disclosure

MICHIGAN ADDENDUM
Chicken In A Barrel Franchising, LLC Franchise Disclosure Document

AMENDMENT OF FDD DISCLOSURES

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

i) A prohibition of your right to join an association of Franchisees

ii) A requirement that you assent to a release, assignment, novation, waiver or estoppel that deprives you of rights and protections provided in this act This shall not preclude you, after entering into a Franchise Agreement, from settling any and all claims

iii) A provision that permits us to terminate a franchise before the expiration of this term except for good cause Good cause shall include your failure to comply with any lawful provision of the Franchise Agreement and to cure the failure after being given written notice of the failure and a reasonable opportunity, which in no event need be more than 30 days, to cure the failure

iv) A provision that permits us to refuse to renew a franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures and furnishings Personalized materials that have no value to us 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 (a) the term of the franchise is less than 5 years, and (b) you are prohibited by the franchise agreement 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 you do not receive at least 6 months advance notice of our intent not to renew the franchise

v) A provision that permits us 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

- A provision requiring that litigation be conducted outside this state This shall not preclude you from entering into an agreement, at the time of litigation, to conduct litigation at a location outside this state

- A provision that permits us to refuse to permit a transfer of ownership of a franchise, except for good cause The subdivision does not prevent us from exercising a right of first refusal to purchase the franchise Good cause shall include, but is not limited to

- The failure of the proposed transferee to meet our then-current reasonable qualifications or standards

- The fact that the proposed transferee is our or Sub-franchisor's competitor

- The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations

- Your or proposed transferee s failure to pay us any sums or to cure any default in the Franchise Agreement existing at the time of the proposed transfer

- A provision that requires you to resell to us items that are not uniquely identified with us This subdivision does not prohibit a provision that grants us 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 us the right to acquire the assets of a franchise for the market or appraised value and has failed to cure the breach in the manner provided in ITEM 17 (g)

- A provision that permits us to directly or indirectly convey, assign or otherwise transfer our obligations to fulfill contractual obligations to you unless a provision has been made for providing the required contractual services

b If our most recent financial statements are unaudited and show a net worth of less than $100,000 00, you may request that we arrange for the escrow of initial investment and other funds you paid until our obligations, if any, to provide real estate improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled At our option, a surety bond may be provided in place of escrow

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

d Any questions regarding this notice should be directed to State of Michigan, Consumer Protection Division, Attention Franchise Bureau, 670 Law Building, Lansing, MI 48913, telephone number (517) 373-3800

Hawaii Disclosure

HAWAII ADDENDUM
Chicken In A Barrel Franchising, LLC Franchise Disclosure Document

ADDITION TO EXHIBIT "I" FDD RECEIPT

The Receipt for this Disclosure Document (Exhibit "I") is supplemented to add the following

1 THIS FRANCHISE WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING

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

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

Indiana Disclosure

INDIANA ADDENDUM
Chicken In A Barrel Franchising, LLC Franchise Disclosure Document

AMENDMENT OF FDD DISCLOSURES

a Item 8, "Restrictions on Sources of Products and Services", Item 8 is hereby amended and supplemented by the addition of the following disclosure

> Under Indiana Code Section 23-2-2 7-1(4), the franchisor will not obtain money, goods, services or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted by the franchisee

b Item 6, "Other Fees" and Item 9, ' Franchisee's Obligations", are hereby amended and supplemented, as follows

> The franchisee will not be required to indemnify franchisor for any liability imposed upon franchisor as a result of franchisee's reliance upon or use of procedures or products that were required by franchisor, if the procedures or products were utilized by franchisee in the manner required by franchisor

c Item 17, "Renewal, Termination, Transfer and Dispute Resolution," Item 17 is hereby amended and supplemented, as follows

- Indiana Code 23-2-2 7-1(7) makes unlawful unilateral termination of a franchise unless there is a material violation of the Franchise Agreement and termination is not in bad faith

- Indiana Code 23-2-2 7-1(5) prohibits a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Law

- ITEM 17(r) is amended subject to Indiana Code 23-2-2 7-1(9) to provide that the post-term non-competition covenant shall have a geographical limitation of the territory granted to Franchisee

- ITEM 17(v) is amended to provide that Franchisees will be permitted to commence litigation in Indiana for any cause of action under Indiana Law

- ITEM 17(w) is amended to provide that in the event of a conflict of law, Indiana Law governs any cause of action that arises under the Indiana Disclosure Law or the Indiana Deceptive Franchise Practices Act

North Dakota Disclosure

NORTH DAKOTA ADDENDUM
Chicken In A Barrel Franchising, LLC Franchise Disclosure Document

AMENDMENT OF FDD DISCLOSURES

a Item 5, ' Initial fees", is hereby amended and supplemented, as follows

Refund and cancellation provisions will be inapplicable to franchises operating under North Dakota Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17 If franchisor elects to cancel this Franchise Agreement, franchisor will be entitled to a reasonable fee for its evaluation of you and related preparatory work performed and expenses actually incurred

b Item 6, "Other Fees", is hereby amended and supplemented, as follows

No consent to termination or liquidated damages shall be required from franchisees in the State of North Dakota

c Item 17, "Renewal, Termination, Transfer and Dispute Resolution," Item 17 is hereby amended and supplemented, as follows

- Any provision requiring a franchisee to sign a general release upon renewal of the franchise agreement has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law

- Any provision requiring a franchisee to consent to termination or liquidation damages has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law

- Covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair, unjust and inequitable Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota

- Any provision in the Franchise Agreement requiring a franchisee to agree to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee's business has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law The site of arbitration or mediation must be agreeable to all parties and may not be remote from the franchisee's place of business

- Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue in a forum outside of North Dakota is void with respect to any cause of action which is otherwise enforceable in North Dakota

- Apart from civil liability as set forth in Section 51-19-12 of the N D C C , which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents and it is unfair to franchise investors to require them to waive their rights under North Dakota Law

- Any provision in the Franchise Agreement requiring that the Franchise Agreement be construed according to the laws of a state other than North Dakota are unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law

- Any provision in the Franchise Agreement which requires a franchisee to waive his or her right to a jury trial has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law

Rhode Island Disclosure

RHODE ISLAND ADDENDUM
Chicken In A Barrel Franchising, LLC Franchise Disclosure Document

AMENDMENT OF FDD DISCLOSURES

Item 17, "Renewal, Termination, Transfer and Dispute Resolution," Item 17 is hereby amended and supplemented, as follows

- The Rhode Island Franchise Investment Act, R I Gen Law Ch 395 Sec 19-28 1-14 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 the Rhode Island Franchise Investment Act

- Any general release as a condition of renewal, termination or transfer will be void with respect to claims under the Rhode Island Franchise Investment Act

Wisconsin Disclosure

WISCONSIN ADDENDUM
Chicken In A Barrel Franchising, LLC Franchise Disclosure Document

Item 17, "Renewal, Termination, Transfer and Dispute Resolution," Item 17 is hereby amended and supplemented, as follows

The Wisconsin Fair Dealership Law Title XIV-A Ch 135, Section 135 01-135 07 may affect the termination provision of the Franchise Agreement

STATE SPECIFIC AMENDMENTS TO FRANCHISE AGREEMENT

New York Franchise Agreement Amendment

NEW YORK FRANCHISE AGREEMENT AMENDMENT
to the Chicken in a Barrel BBQ Franchise Agreement

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N Y Comp Code R & Regs , tit 13, §§ 200 1 through 201 16), the parties to the attached Chicken In A Barrel Franchising, LLC Franchise Agreement (the "Agreement") agree as follows

1 Under Article 15 C of the Agreement, under the heading "Conditions for Approval of Transfer," the subarticle 15 C(6) shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof

> (6) The transferor and its owners and Principals must execute a general release in a form satisfactory to Franchisor, releasing Franchisor, Franchisor's affiliates and past and present officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, of any and all claims against Franchisor for matters arising on or before the effective date of the Transfer, provided, however, that all rights and causes of action arising in favor of Franchisee from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force, it being the intent of this provision that the non-waiver provisions of N Y Gen Bus Law Sections 687 4 and 687 5 be satisfied

2 Under Article 16 D of the Agreement, under the heading "Conditions for Renewal," the subarticle 16 D(5) shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof

> (5) Franchisee and the Principals must execute the general release, attached hereto as Exhibit "H" releasing Franchisor, its affiliates and their respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants, employees, successors and assigns from any and all claims, including, without limitation, claims arising under this Agreement under federal, state or local laws, rules, regulations, or orders - If precluded by law from giving a general release, Franchisee shall execute an estoppel statement -, provided, however, that all rights and causes of action arising in favor of Franchisee from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force, it being the intent of this provision that the non-

waiver provisions of N Y Gen Bus Law Sections 687 4 and 687 5 be satisfied

3 Article 20 of the Agreement, under the heading "Enforcement and Construction," shall be supplemented by the addition of the following new subarticle 20 T

> 20 T Nothing in this Agreement should be considered a waiver of any right conferred upon franchisee by New York General Business Law, Sections 680-695

4 There are circumstances in which an offering made by Chicken In A Barrel Franchising, LLC would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the state of New York However, an offer or sale is deemed made in New York if you are domiciled in New York or the Outlet will be opening in New York Chicken In A Barrel Franchising, LLC is required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33

5 Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the New York General Business Law, are met independently without reference to this amendment

IN WITNESS WHEREOF, the parties have duly executed and delivered this New York amendment to the Chicken In A Barrel Franchising, LLC Franchise Agreement on the same date as the Franchise Agreement was executed

FRANCHISOR Chicken In A Barrel Franchising, LLC	FRANCHISEE
By ____________________	By ____________________
Title ____________________	Title ____________________
____________________ Signature	____________________ Signature
Address	Address
____________________	____________________
____________________	____________________

Maryland Franchise Agreement Amendment

MARYLAND FRANCHISE AGREEMENT AMENDMENT
to the Chicken in a Barrel BBQ Franchise Agreement

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the parties to the attached Chicken In A Barrel Franchising, LLC Franchise Agreement (the "Agreement") agree as follows

1 Under Article 15 C of the Agreement, under the heading "Conditions for Approval of Transfer," the subarticle 15 C(6) shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof

> (6) The transferor and its owners and Principals must execute a general release in a form satisfactory to Franchisor, releasing Franchisor, Franchisor's affiliates and past and present officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, of any and all claims against Franchisor for matters arising on or before the effective date of the Transfer, provided, however, that all rights and causes of action arising in favor of Franchisee from the provisions of the Maryland Franchise Registration and Disclosure Law and the regulations issued thereunder, shall remain in force it being the intent of this provision that the non-waiver provisions of the Maryland Franchise Registration and Disclosure Law be satisfied

2 Under Article 16 D of the Agreement, under the heading "Conditions for Renewal," the subarticle 16 D(5) shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof

> (5) Franchisee and the Principals must execute the general release, attached hereto as Exhibit "H" releasing Franchisor, its affiliates and their respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants, employees, successors and assigns from any and all claims, including, without limitation, claims arising under this Agreement under federal, state or local laws, rules, regulations, or orders - If precluded by law from giving a general release, Franchisee shall execute an estoppel statement -, provided, however, that all rights and causes of action arising in favor of Franchisee from the provisions of the Maryland Franchise Registration and Disclosure Law and the regulations issued thereunder, shall remain in force, it being the intent of this provision that the non-waiver provisions of the Maryland Franchise Registration and Disclosure Law be satisfied

3 Article 20 G of the Agreement, under the heading "Exclusive Jurisdiction," shall be amended by the addition of the following statement added to Article 20 G

> A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law

4 Article 20 I of the Agreement, under the heading "Limitations of Claims," shall be amended by the addition of the following statement added to Article 20 I

> Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise

5 Article 20 of the Agreement, under the heading "Enforcement and Construction," shall be supplemented by the addition of the following new subarticle 20 T

> 20 T Nothing in this Agreement should be considered a waiver of any right conferred upon franchisee by the Maryland Franchise Registration and Disclosure Law
>
> All representations requiring prospective franchisees to assent to a release, estoppel, or waiver of liability are not intended to nor shall they act as a release estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law
>
> A general release required as a condition of renewal, sale and/or assignment or transfer of a Franchise Agreement shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law

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

IN WITNESS WHEREOF, the parties have duly executed and delivered this Maryland amendment to the Chicken In A Barrel Franchising, LLC Franchise Agreement on the same date as the Franchise Agreement was executed

[Signature Page Follows]

FRANCHISOR
Chicken In A Barrel Franchising, LLC

By ______________________________

Title ______________________________

____
Signature

Address

____

____

FRANCHISEE

By ______________________________

Title ______________________________

____
Signature

Address

____

____

Washington State Franchise Agreement Amendment

WASHINGTON STATE FRANCHISE AGREEMENT AMENDMENT
to the Chicken in a Barrel BBQ Franchise Agreement

In recognition of the requirements of the Washington Franchise Investment Protection Act RCW19 100 180, the parties to the attached Chicken In A Barrel Franchising, LLC Franchise Agreement (the "Agreement") agree as follows

1 Under Article 15 C of the Agreement, under the heading "Conditions for Approval of Transfer," the subarticle 15 C(6) shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof

> (6) The transferor and its owners and Principals must execute a general release in a form satisfactory to Franchisor, releasing Franchisor, Franchisor's affiliates and past and present officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, of any and all claims against Franchisor for matters arising on or before the effective date of the Transfer excluding only such claims as the transferor and its owners and Principals may have under the Washington Franchise Investment Protection Act

2 Under Article 16 D of the Agreement, under the heading "Conditions for Renewal," the subarticle 16 D(5) shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof

> (5) Franchisee and the Principals must execute the general release, attached hereto as Exhibit "H" releasing Franchisor, its affiliates and their respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants, employees, successors and assigns from any and all claims, including, without limitation, claims arising under this Agreement under federal, state or local laws, rules, regulations, or orders - If precluded by law from giving a general release, Franchisee shall execute an estoppel statement -, excluding only such claims as the transferor and its owners and Principals may have under the Washington Franchise Investment Protection Act

3 Article 20 F of the Agreement, under the heading "Governing Law", shall be amended by the addition of the following statement added to the end of the last sentence of Article 20 F

> , except with respect to claims arising under the Washington Franchise Investment Protection Act, Chapter 19 100 RCW

4 Article 20 G of the Agreement, under the heading "Exclusive Jurisdiction", shall be amended by the addition of the following statement added to the end of the last sentence of Article 20 G

> , except with respect to claims arising under the Washington Franchise Investment Protection Act, Chapter 19 100 RCW

5 Article 20 K of the Agreement, under the heading "Waiver of Jury Trial", shall be supplemented by the addition of the following statement at the end of the sentence contained in Article 20 K

> , except with respect to claims arising under the Washington Franchise Investment Protection Act, Chapter 19 100 RCW

6 Article 20 of the Agreement, under the heading "Enforcement and Construction," shall be supplemented by the addition of the following new subarticle 20 T

> 20 T Any foregoing acknowledgments are not intended to nor shall they act as a release, estoppel or waiver of any liability under the Washington Franchise Investment Protection Act Provisions which unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, rights or remedies under the Washington Franchise Investment Protection Act, may not be enforceable

7 The Franchise Agreement is hereby amended to include the following provision

> "In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19 100 RCW will prevail"

8 Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Washington Franchise Investment Protection Act, Chapter RCW 19 100 180, are met independently without reference to this amendment

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have duly executed and delivered this Washington State amendment to the Chicken In A Barrel Franchising, LLC Franchise Agreement on the same date as the Franchise Agreement was executed

FRANCHISOR Chicken In A Barrel Franchising, LLC	FRANCHISEE
By ____________________________	By ____________________________
Title ____________________________	Title ____________________________
____________________________ Signature	____________________________ Signature
Address	Address
____________________________	____________________________
____________________________	____________________________

Illinois Franchise Agreement Amendment

ILLINOIS FRANCHISE AGREEMENT AMENDMENT
to the Chicken in a Barrel BBQ Franchise Agreement

In recognition of the requirements of the Illinois Franchise Disclosure Act, 815 ILCS 705/1 to 705/45, and Ill Admin Code tit 15, §200 100 et seq , the parties to the attached Chicken In A Barrel Franchising, LLC Franchise Agreement (the "Agreement") agree as follows

1 Under Article 15 C of the Agreement, under the heading "Conditions for Approval of Transfer," the subarticle 15 C(6) shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof

> (6) The transferor and its owners and Principals must execute a general release in a form satisfactory to Franchisor, releasing Franchisor, Franchisor's affiliates and past and present officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, of any and all claims against Franchisor for matters arising on or before the effective date of the Transfer, excluding only such claims as the transferor and its owners and Principals may have under the Illinois Franchise Disclosure Act (815 ILCS 705/1 to 705/45)

2 Under Article 16 D of the Agreement, under the heading 'Conditions for Renewal, the subarticle 16 D(5) shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof

> (5) Franchisee and the Principals must execute the general release, attached hereto as Exhibit "H" releasing Franchisor, its affiliates and their respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants, employees, successors and assigns from any and all claims, including, without limitation, claims arising under this Agreement under federal, state or local laws, rules, regulations, or orders - If precluded by law from giving a general release, Franchisee shall execute an estoppel statement -, excluding only such claims as the transferor and its owners and Principals may have under the Illinois Franchise Disclosure Act (815 ILCS 705/1 to 705/45)

3 Article 20 F of the Agreement, under the heading "Governing Law", shall be amended by the addition of the following statement added to the end of the last sentence of Article 20 F

> , except with respect to claims arising under Illinois Law

4 Article 20 G of the Agreement, under the heading "Exclusive Jurisdiction", shall be amended by the addition of the following statement added to the end of the last sentence of Article 20 G

, except with respect to claims arising under Illinois Law

5 Article 20 I of the Agreement, under the heading "Limitations of Claims," shall be amended by the addition of the following statement added to the end of the last sentence of Article 20 I

, except with respect to claims arising under Illinois Law, in which case the statute of limitations under Illinois Law will apply

6 Article 20 K of the Agreement, under the heading "Waiver of Jury Trial", shall be supplemented by the addition of the following statement at the end of the sentence contained in Article 20 K

, except that nothing in this Agreement should be considered a waiver of any right conferred upon Franchisee by the Illinois Franchise Disclosure Act

7 Article 20 of the Agreement, under the heading "Enforcement and Construction,' shall be supplemented by the addition of the following new subarticle 20 T

20 T Any foregoing acknowledgments are not intended to nor shall they act as a release, estoppel or waiver or any liability under the Illinois Franchise Disclosure Act

8 Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act (815 ILCS 705/1 to 705/45) are met independently without reference to this amendment

IN WITNESS WHEREOF, the parties have duly executed and delivered this Illinois amendment to the Chicken In A Barrel Franchising, LLC Franchise Agreement on the same date as the Franchise Agreement was executed

FRANCHISOR Chicken In A Barrel Franchising, LLC	FRANCHISEE
By ______________________	By ______________________
Title ______________________	Title ______________________
______________________ Signature	______________________ Signature
Address	Address
______________________	______________________

Minnesota Franchise Agreement Amendment

MINNESOTA FRANCHISE AGREEMENT AMENDMENT
to the Chicken in a Barrel BBQ Franchise Agreement

In recognition of the requirements of the Minnesota Statutes, Chapter 80C and Minnesota Franchise Rules, Chapter 2860, the parties to the attached Chicken In A Barrel Franchising, LLC Franchise Agreement (the "Agreement") agree as follows

1 Under Article 15 C of the Agreement, under the heading 'Conditions for Approval of Transfer," the subarticle 15 C(6) shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof

> (6) The transferor and its owners and Principals must execute a general release in a form satisfactory to Franchisor, releasing Franchisor, Franchisor's affiliates and past and present officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, of any and all claims against Franchisor for matters arising on or before the effective date of the Transfer, provided, however, that all rights enjoyed by Franchisee and any causes of action arising in Franchisee's favor from the provisions of the Minnesota Franchise Act, Minn Stat Section 80C 14 et seq and Minnesota Rules 2860 4400(D), shall remain in force, it being the intent of this provision that the non-waiver provisions of the Minnesota Rules 2860 4400(D) be satisfied, and
>
> Minnesota law provides a franchisee with certain termination and non-renewal rights Minn Stat Sect 80C 14 Subdivisions 3, 4, and 5 require, except in certain specified cases, that franchisee be given one hundred eighty (180) days notice of nonrenewal of this Agreement by Franchisor

2 Under Article 16 D of the Agreement, under the heading "Conditions for Renewal," the subarticle 16 D(5) shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof

> (5) Franchisee and the Principals must execute the general release, attached hereto as Exhibit "H" releasing Franchisor, its affiliates and their respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants, employees, successors and assigns from any and all claims, including, without limitation, claims arising under this Agreement under federal, state or local laws, rules, regulations, or orders - If precluded by law from giving a general release, Franchisee shall execute an estoppel statement -, provided, however, that

all rights enjoyed by Franchisee and any causes of action arising in Franchisee's favor from the provisions of the Minnesota Franchise Act, Minn Stat Section 80C 14 et seq and Minnesota Rules 2860 4400(D), shall remain in force, it being the intent of this provision that the non-waiver provisions of the Minnesota Rules 2860 4400(D) be satisfied, and

Minnesota law provides a franchisee with certain termination and non-renewal rights Minn Stat Sect 80C 14 Subdivisions 3, 4, and 5 require, except in certain specified cases that franchisee be given one hundred eighty (180) days notice of nonrenewal of this Agreement by Franchisor

3 Under Article 12 of the Agreement, under the heading "Notice of Infringement and Claims," the subarticle 12 C shall be supplemented by the addition of the following

Franchisor agrees to protect Franchisee, to the extent required by the Minnesota Franchise Act, against claims of infringement or unfair competition with respect to Franchisee's use of the Marks when in the opinion of Franchisor s counsel, Franchisee s rights warrant protection pursuant to Article 12 E of this Agreement

4 Under Article 15 of the Agreement, under the heading "Conditions for Approval of Transfer," the subarticle 15 C shall be supplemented by the addition of the following

Franchisor shall not unreasonably withhold consent to transfer the franchise agreement

5 Under Article 17 of the Agreement, under the heading "Termination Upon Written Notice," the subarticle 17 A (2) shall be supplemented by the addition of the following

Article 17 A (2) will not be enforced to the extent prohibited by applicable law

6 Under Article 17 of the Agreement, under the heading "Termination After Cure Period," the subarticle 17 A (3)(d), shall be supplemented by the addition of the following

Subarticle 17 A (3)(d) will not be enforced to the extent prohibited by applicable law

7 Under Article 17 of the Agreement, under the heading "Termination After Cure Period," the subarticle 17 A (3) is hereby amended to replace the "30" day cure period with "60" days and the following is added

Minnesota law provides a franchisee with certain termination rights Minn Stat Sect 80C 14 Subdivisions 3, 4, and 5 require, except in certain specified cases, that franchisee be given ninety (90) days notice of termination (with sixty days to cure) of this Agreement

8 Article 20 F of the Agreement, under the heading “Governing Law”, shall be amended by the addition of the following statement added to the end of the last sentence of Article 20 F

> , except to the extent otherwise prohibited by applicable law with respect to claims arising under the Minnesota Franchise Act

9 Article 20 G of the Agreement, under the heading “Exclusive Jurisdiction”, shall be amended by the addition of the following statement added to the end of the last sentence of Article 20 G

> , except the extent otherwise prohibited by applicable law with respect to claims arising under the Minnesota Franchise Act

10 Article 20 K of the Agreement, under the heading “Waiver of Jury Trial”, shall be supplemented by the addition of the following statement at the end of the sentence contained in Article 20 K

> , except that nothing in this Agreement should be considered a waiver of any right conferred upon Franchisee by the Minnesota Franchise Act

11 Article 20 I of the Agreement, under the heading “Limitations of Claims,” shall be supplemented by the addition of the following statement

> Under the Minnesota Franchise Act, any claims between the parties must be commenced within three years of the occurrence of the facts giving rise to such claim, or such claim shall be barred

12 Article 20 of the Agreement, under the heading “Enforcement and Construction,” shall be supplemented by the addition of the following new subarticle 20 T

> 20 T Any foregoing acknowledgments are not intended to nor shall they act as a release, estoppel or waiver or any liability under the Minnesota Franchise Act

13 Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Act are met independently without reference to this amendment

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have duly executed and delivered this Minnesota State amendment to the Chicken In A Barrel Franchising, LLC Franchise Agreement on the same date as the Franchise Agreement was executed

FRANCHISOR Chicken In A Barrel Franchising, LLC	FRANCHISEE
By ______________________	By ______________________
Title ______________________	Title ______________________
______________________ Signature	______________________ Signature
Address	Address
______________________	______________________
______________________	______________________

Hawaii Franchise Agreement Amendment

HAWAII FRANCHISE AGREEMENT AMENDMENT
to the Chicken in a Barrel BBQ Franchise Agreement

In recognition of the requirements of the Hawaii Franchise Investment Law, the parties to the attached Chicken In A Barrel Franchising, LLC Franchise Agreement (the "Agreement") agree as follows

1 Under Article 15 C of the Agreement, under the heading "Conditions for Approval of Transfer," the subarticle 15 C(6) shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof

> (6) The transferor and its owners and Principals must execute a general release in a form satisfactory to Franchisor, releasing Franchisor, Franchisor's affiliates and past and present officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of any and all claims against Franchisor for matters arising on or before the effective date of the Transfer, provided, however, that all rights enjoyed by Franchisee and any causes of action arising in Franchisee's favor from the provisions of the Hawaii Franchise Investment Law, shall remain in force, it being the intent of this provision that the non-waiver provisions of the Hawaii Franchise Investment Law be satisfied, and
>
> The Hawaii Franchise Investment Law provides rights to the franchisee concerning non-renewal, termination and transfer of the Franchise Agreement If this subarticle contains a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control

2 Under Article 16 D of the Agreement, under the heading "Conditions for Renewal," the subarticle 16 D(5) shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof

> (5) Franchisee and the Principals must execute the general release, attached hereto as Exhibit "H" releasing Franchisor, its affiliates and their respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants, employees, successors and assigns from any and all claims, including, without limitation, claims arising under this Agreement under federal, state or local laws, rules, regulations, or orders - If precluded by law from giving a general release, Franchisee shall execute an estoppel statement -, provided, however, that all rights enjoyed by Franchisee and any causes of action arising in

Franchisee's favor from the provisions of the Hawaii Franchise Investment Law, shall remain in force, it being the intent of this provision that the non-waiver provisions of the Hawaii Franchise Investment Law be satisfied, and

The Hawaii Franchise Investment Law provides rights to the franchisee concerning non-renewal, termination and transfer of the Franchise Agreement If this subarticle contains a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control

3 Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Hawaii Franchise Investment Law are met independently without reference to this amendment

IN WITNESS WHEREOF, the parties have duly executed and delivered this Hawaii State amendment to the Chicken In A Barrel Franchising, LLC Franchise Agreement on the same date as the Franchise Agreement was executed

FRANCHISOR Chicken In A Barrel Franchising, LLC	FRANCHISEE
By ____________________	By ____________________
Title ____________________	Title ____________________
____________________ Signature	____________________ Signature
Address	Address
____________________	____________________
____________________	____________________

North Dakota Franchise Agreement Amendment

NORTH DAKOTA FRANCHISE AGREEMENT AMENDMENT
to the Chicken in a Barrel BBQ Franchise Agreement

Notwithstanding anything to the contrary set forth in the Chicken in a Barrel BBQ Franchise Agreement (the "Agreement"), the following provisions shall supersede any inconsistent provisions and apply to Chicken in a Barrel BBQ franchises offered and sold in the state of North Dakota

The North Dakota Addendum is only applicable if you are a resident of North Dakota or if your Chicken in a Barrel BBQ outlet will be located within the State of North Dakota

1 Article 15 of the Agreement is hereby amended by the addition of the following language

> Provisions requiring North Dakota franchisees to sign a general release upon renewal of the franchise agreement are not enforceable in North Dakota

2 Article 17 of the Agreement is hereby amended by the addition of the following language

> Provisions requiring North Dakota Franchisees to consent to termination or liquidated damages are not enforceable in North Dakota

3 Article 18 of the Agreement is hereby amended by the addition of the following language

> Covenants not to compete such as those mentioned above are generally considered unenforceable in the state of North Dakota

4 Article 20 of the Agreement is hereby amended by the addition of the following language

> Covenants requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota may not be enforceable in North Dakota

5 Article 20 of the Agreement is hereby amended by the addition of the following language

> For North Dakota Franchisees, North Dakota law shall apply

6 Article 20 of the Agreement is hereby amended by the addition of the following language

Provisions requiring a franchisee to consent to a waiver of trial by jury are not enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law

7 Article 20 of the Agreement is hereby amended by the addition of the following language

Provisions requiring the franchisee to consent to a waiver of exemplary and punitive damages are not enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law

8 Article 20 of the Agreement is hereby amended by the addition of the following language

Provisions requiring a franchisee to consent to a limitation of claims within one year have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law Therefore, for North Dakota franchisees, the statute of limitations under North Dakota Law will apply

Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of North Dakota Law are met independently without reference to this amendment

EXHIBIT "I"
TO THE DISCLOSURE DOCUMENT

RECEIPTS

CHICKEN IN A BARREL FRANCHISING, LLC

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language Read this disclosure document and all the agreements carefully

If Chicken In A Barrel Franchising, LLC offers you a franchise, we must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, us or an affiliate of ours in connection with the proposed franchise sale New York State Law requires a franchisor to provide the franchise disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship Under Michigan, Rhode Island, Washington, Iowa and Oklahoma law, if applicable, we must provide this disclosure document to you 10 business days before signing any contract or making any payment relating to the franchise relationship

If we do not deliver this disclosure document on time of if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D C 20580 and the applicable state agency list in attached Exhibit "A"

We authorize the respective state agencies identified in Exhibit 'B" to receive service of process for us in the particular state

Issuance Date March 23, 2017

Our sales agent for this offering is

Name Michael R Pierce

Telephone Number (808) 826-6777

Address 5015 Emmalani Dr , Princeville, HI 96722

I have received a disclosure document dated March 23, 2017 that included the following exhibits

A	LIST OF STATE ADMINISTRATORS
B	LIST OF AGENTS FOR SERVICE OF PROCESS
C	TABLE OF CONTENTS OF OPERATIONS MANUAL
D	FINANCIAL STATEMENTS
E-1	FRANCHISE AGREEMENT
E-2	DEVELOPMENT AGREEMENT
F	LIST OF FRANCHISEES
G	LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM
H	STATE SPECIFIC ADDENDUM
I	RECEIPTS

PROSPECTIVE FRANCHISEE

______________________________ ______________________________

Date Prospective Franchisee

____

Authorized Signature

(CHICKEN IN A BARREL FRANCHISING LLC RECEIPT PAGE 2 OF 2)

CHICKEN IN A BARREL FRANCHISING, LLC

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language Read this disclosure document and all the agreements carefully

If Chicken In A Barrel Franchising, LLC offers you a franchise, we must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, us or an affiliate of ours in connection with the proposed franchise sale New York State Law requires a franchisor to provide the franchise disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship Under Michigan, Rhode Island, Washington, Iowa and Oklahoma law, if applicable, we must provide this disclosure document to you 10 business days before signing any contract or making any payment relating to the franchise relationship

If we do not deliver this disclosure document on time of if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D C 20580 and the applicable state agency list in attached Exhibit "A"

We authorize the respective state agencies identified in Exhibit "B" to receive service of process for us in the particular state

Issuance Date March 23, 2017

Our sales agent for this offering is

Name Michael R Pierce

Telephone Number (808) 826-6777

Address 5015 Emmalani Dr , Princeville, HI 96722

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G	LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM
H	STATE SPECIFIC ADDENDUM
I	RECEIPTS

PROSPECTIVE FRANCHISEE

____________________________ ____________________________

Date Prospective Franchisee

____

Authorized Signature

(CHICKEN IN A BARREL FRANCHISING, LLC RECEIPT PAGE 2 OF 2)