FRANCHISE DISCLOSURE DOCUMENT
BAYBROS FC LLC
a Tennessee limited liability company
210 James Asbury Drive NW
Cleveland, Tennessee, 37312-2984
Phone: (423) 313-0984
www.DosBros.com

The franchise offered is for a quick-service fast casual Tex-Mex restaurant where fresh items are prepared from scratch on a daily basis, including, tacos, burritos, bowls, quesadillas, and salads in a modern casual dining environment. The restaurants offer dine-in, carry out and catering food service. A DosBros® restaurant operates using the franchisor's (or its affiliates) proprietary recipes, formulae, techniques, trade dress, trademarks and logos.

The total investment necessary to begin operation of a DosBros® franchise is $374,100 to $814,375. This includes an Initial Fee paid to the franchisor and/or its affiliate in the amount of $35,000.

We may offer multi-unit development agreements to you to establish and operate at least three DosBros® Restaurants at specific locations pursuant to individual franchise agreements. You will pay a Multi-Unit Development fee equal to 100% of the initial franchise fee for the first Restaurant to be developed plus 50% of the initial franchise fee for each additional Restaurant to be developed under the Multi-Unit Development Agreement. The Multi-Unit Development fee is applied pro rata to the initial franchise fees due for each Restaurant to be developed after the first. Your estimated initial investment will vary based on the number of Franchised Restaurants 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 the disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for You. To discuss the availability of disclosures in different formats, contact Milan Patel at 210 James Asbury Drive NW, Cleveland, Tennessee 37312-2984 and (423) 313-0984.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your 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: August 28, 2023

How to Use This Franchise Disclosure Document

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

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

What You Need to Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

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

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

3. **Short Operating History**. This Franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment that a franchise with a longer operating history.

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

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<u>EXHIBITS</u>

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

The Franchisor

BayBros FC LLC ("we" or "us" or "DosBros®") is the franchisor. We are a Tennessee limited liability company with our principal place of business at 210 James Asbury Drive NW, Cleveland, Tennessee 37312-2984. We were formed on April 9, 2018. In this Disclosure Document, we refer to the person or entity that will be signing the Franchise Agreement (defined below) as "you," "your," or "franchisee," which includes all franchise owners and partners, if you are a corporation, partnership or other entity.

Our agents for service of process are listed in Exhibit A to this Disclosure Document. We conduct business under our corporate names and under the names and mark "DosBros®," "DosBros Fresh Mexican Grill®" and related slogans.

Although we do not currently own or operate any DosBros® Restaurants ("DosBros® Restaurant"), there are other corporate locations owned by affiliate entities (described below). We have not offered franchises in any other line of business and we do not engage in any other business activity. We began offering franchises in January 2019.

Our Parents, Predecessors and Affiliates

BayBros, LLC, a Tennessee limited liability company formed on August 24, 2017 and which is headquartered at our address and is owned by Milan Patel and Kush Shah ("IP Licensor"). The IP Licensor owns the trademark "DosBros®" as well as other trademarks described in this Disclosure Document and has licensed same to us. See Item 13. The IP Licensor has entered into a License Agreement with us for the purpose of offering franchises. The IP Licensor has never offered franchises in this or any other line of business, and IP Licensor will not guaranty our performance.

Some of our affiliates that relate to our operations are:

	Name	Type	Where Formed	Date Formed	No. Rests. Operated	Principal Address
1.	Bayby LLC License Agreement dated September 7, 2017	Limited Liability Company	Tennessee	08/25/2014	1	4450 NW Frontage Rd. Cleveland, TN 37312
2.	Bkmk LLC License Agreement dated September 7, 2017	Limited Liability Company	Tennessee	04/27/16	1	2100 Hamilton Place Blvd. #304 Chattanooga, TN 37421
3.	Brix LLC License Agreement	Limited Liability Company	Tennessee	03/22/17	1	5591 Hwy. 153 Ste. 160 & 162 Hixson, TN 37343

	dated June 19, 2017					
4.	Brotown LLC License Agreement dated January 28, 2018	Limited Liability Company	Tennessee	06/22/2017	1	100 W. Walnut Ave. Dalton, Georgia 30720
5.	Broltewah, LLC License Agreement dated March 12, 2018	Limited Liability Company	Tennessee	03/22/17	1	5975 Elementary Way Ste. 111 Ooltewah, TN 37363
6.	Brocha, LLC License Agreement dated June 13, 2018	Limited Liability Company	Tennessee	03/22/17	1	210 James Asbury Drive NW, Cleveland, TN 37312

The affiliates provided above own and operate DosBros® Restaurants under License Agreements that grant the respective affiliate the right to use the Marks (as provided herein) and systems within certain geographic areas in Tennessee and Georgia.

<u>The Franchise Offered</u>

We are offering franchises for restaurants that operate under the name "DosBros®," which are quick-service fast casual Tex-Mex restaurants where fresh items are prepared from scratch on a daily basis, including, tacos, burritos, bowls, quesadillas, and salads in a modern casual dining environment that are established and operated using the format and system we developed (the "System"), which includes eat-in dining, carry-out and catering services and which operate at retail locations displaying our interior and exterior trade dress and feature and operate under the Proprietary Marks (as defined below) (each a "Restaurant"). Our interior trade dress is designed to make DosBros® Restaurants welcoming, inviting, comfortable, and easily identifiable for customers. Our System for DosBros® Restaurants currently includes one menu for lunch and dinner and also offer wine and beer, subject to proper licensing.

The Restaurants are characterized by our System. Some of the features of our System include distinctive exterior and interior design, décor, color schemes, fixtures, and furnishings; recipes, standards and specifications for products, equipment, materials, and supplies; uniform standards, specifications, and procedures for operations; purchasing and sourcing procedures; procedures for inventory and management control; training and assistance; and marketing and promotional programs. We may periodically change and improve the System.

DosBros® Restaurants are typically located in shopping centers. A typical Restaurant is approximately 2,500 square feet in size.

You must operate your Restaurant consistent with our standards and procedures that are in our Confidential Operations Manual (the "Manual"). We will lend you a copy of the Manual for the term of the Franchise Agreement (or, at our option, we may make the Manual available to you electronically). In addition, we will grant you the right to use our marks, including the mark "DosBros®" and any other trade names and marks that we designate in writing for use with the System (the ("Marks" or "Proprietary Marks"). We may modify the Proprietary Marks or substitute new Proprietary Marks.

Franchise Agreement

We will enter into a franchise agreement ("Franchise Agreements") (included as Exhibit B to this Disclosure Document) with a qualified legal entity or person that wishes to establish and operate a Restaurant. Under a Franchise Agreement, we grant you the right (and you will accept the obligation) to operate a Restaurant at an agreed-upon specified location (the "Approved Location"). (In this Disclosure Document, the term "Franchised Restaurant" means the DosBros® Restaurant franchised to you under a Franchise Agreement.)

Multi-Unit Development Agreement

In certain circumstances, we will offer to you the right to sign a Multi-Unit Development Agreement in the form attached as Exhibit C to this Disclosure Document (the "Multi-Unit Development Agreement") to develop multiple franchised Restaurants to be located within a specifically described geographic territory (the "Exclusive Area"). We will determine the Exclusive Area before you sign the Multi-Unit Development Agreement and it will be included in the Multi-Unit Development Agreement. Under the Multi-Unit Development Agreement, you must establish a certain number of DosBros® Restaurants (at least three Restaurants) within the Exclusive Area according to a development schedule, and sign a separate Franchise Agreement for each Restaurant established under the Multi-Unit Development Agreement. The Franchise Agreement for the first Restaurant developed under the Multi-Unit Development Agreement will be in the form attached as Exhibit B to this Disclosure Document. For each additional Restaurant developed under the Multi-Unit Development Agreement, you must sign the form of Franchise Agreement that we are then offering to new franchisees, which may be materially different from your original Franchise Agreement, and may include, without limitation, higher royalty and advertising fees. The size of the Exclusive Area will vary depending upon local market conditions and the number of Restaurants to be developed (see Item 12).

The person or entity signing the Multi-Unit Development Agreement is referred to as the "Multi-Unit Developer." The Multi-Unit Development Agreement contains concepts similar to the Franchise Agreement involving the "Multi-Unit Developer's Principals."

Market and Competition

The market for restaurants in general is well developed and intensely competitive. You will serve the general public and will compete with a variety of quick service, fast casual and full service businesses, including locally owned to regional, national and chain restaurants, some of which may be franchise systems. The business is often affected by economic and real estate conditions, consumer tastes, population changes, the cost and availability of products and traffic patterns. We may establish other Restaurants in your area (if permitted under the Franchise Agreement) and/or sell or license others to sell products in your area. Also we may sell products through the Internet, toll-free telephone numbers, catalogs, or other similar means of distribution to customers at any location, which may be located in your area. See Items 12 and 16 for a description of your permitted activities and your rights, and our permitted and restricted activities and rights.

Industry Specific Regulations

You must comply with all local, state, and federal laws that apply to your Franchised Restaurant's operations, including health, food handling, sanitation, EEOC, OSHA, discrimination, employment, and sexual harassment laws. If applicable to your Franchised Restaurant, the Americans with Disability Act of 1990 requires readily accessible accommodation for disabled persons and therefore may affect your building construction, site elements, entrance ramps, doors, bathrooms, drinking facilities, etc. You must obtain any applicable real estate permits (such as zoning), real estate licenses, and operational licenses. You must offer alcoholic beverages for sale at your Franchised Restaurant, unless we permit you to operate a Franchised Restaurant that does not offer alcoholic beverages. You must comply with any federal, state, county, municipal, or other local laws and regulations relating to beer and wine that may apply to your Franchised Restaurant. You should consult with your attorney concerning those and other local laws and ordinances that may affect the operation of your Franchised Restaurant.

You must have your license to offer alcoholic beverages before you open the Restaurant. There is also wide variation in state and local laws and regulations that govern the sale of alcoholic beverages. In addition, state "dram shop" laws give rise to potential liability for injuries that are directly or indirectly related to the sale and consumption of alcohol.

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

The federal Clean Air Act and various state laws require certain state and local areas to meet national air quality standards limiting emissions of ozone, carbon monoxide and particulate matters, including caps on emissions from commercial food preparation. Some state and local governments have also adopted, or are considering proposals, that would regulate indoor air quality, including the limitation of smoking tobacco products in public places such as restaurants.

The Nutrition Labeling and Education Act (NLEA) sets regulations for food labeling, including nutritional label standards, nutrient content claims, and health claims. NLEA applies to virtually all foods in the food supply, including food served and sold in restaurants. While NLEA specifies a number of exemptions for restaurants, there are many instances where a nutritional label is required. The Food and Drug Administration's *Nutritional Labeling Guide for Restaurants and Other Retail Establishments* provides answers to commonly asked questions regarding the application of NLEA.

We do not assume any responsibility for advising you on these regulatory or legal matters. You should consult with your attorney about federal, state, and local laws or regulations that may affect your Restaurant.

ITEM 2
BUSINESS EXPERIENCE

Milan Patel

Mr. Patel is our co-founder and has been President of DosBros® since inception in 2015. In November 2011, Mr. Patel became a franchisee of Orange Leaf Frozen Yogurt (DHN, Inc.). Mr. Patel also owned a Pita Pit franchise beginning in April 2015 (Lala, LLC) until August 2016.

Kush Shah

Mr. Shah is our co-founder and has been Vice President of DosBros® since inception in 2015. From 2009 through 2011, Mr. Shah was the managing partner and head of franchising for Bawarchee Group of

Restaurants in Ahmedabad, India. Following his time with Bawarchee Group of Restaurants, Mr. Shah owned and operated Cocoaberry Frozen Yogurt in Chattanooga, Tennessee.

ITEM 3
LITIGATION

CoolSprings Mall, LLC v. Bro Springs, LLC, filed in the Chancery Court of Williamson County, Tennessee, Case No. 2022-CV-1772. The parties entered into a Shopping Center Lease dated June 12, 2018 (the "Lease"), whereby Bro Springs, LLC leased approximately 1,452 square feet in CoolSprings Galleria Mall, Franklin, Tennessee. Certain disputes arose between the parties as to their respective rights and obligations and the performance or nonperformance of such obligations under the Lease and CoolSprings filed a the lawsuit. The lawsuit was settled and the case was dismissed with prejudice on January 20, 2023.

Hamilton Place CMBS, LLC v. BKMK, LLC, d/b/a Dos Bros, filed in the State of Tennessee, County of Hamilton, Case No. 22GS 6524. The parties entered into a written lease agreement for the premises located at The Hamilton Place Mall, 2100 Hamilton Place Boulevard, Space 304, Chattanooga, Tennessee 37421, whereby BKMK, LLC operated a Dos Bros®. Hamilton Place CMBS, LLC filed the lawsuit alleging that BKMK, LLC failed to pay rent as was due pursuant to the lease agreement and judgement was entered in favor of Hamilton Place CMBS, LLC in the amount of $81,535.64 on September 15, 2022. BKMK, LLC, was ordered to vacated the premises on or before September 1, 2022.

Except for the 2 actions listed above, no litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

There is/are no bankruptcies that are required to be disclosed in this Disclosure Document.

ITEM 5
INITIAL FEES

Franchise Agreement

When you sign the Franchise Agreement you must pay us an initial franchise fee (the "Franchise Fee"). The Franchise Fee is $35,000. The initial franchise fee will be fully earned when paid and non-refundable in consideration of administrative and other expenses we incur in entering into the Franchise Agreement and for our lost or deferred opportunity to enter into the Franchise Agreement with others. The Franchise Fee is imposed uniformly on all franchisees. We use the initial franchise fee to cover, among other things, the cost to provide the initial training program, the costs to evaluate proposed sites and the costs to help you develop and open the Franchised Restaurant.

You will send, at the very least, an owner's representative ("Designated Representative") and manager of your Franchised Restaurant to Cleveland, Tennessee or another location as we may require, for nine weeks, at your expense, in order for us to provide on-site pre-opening/opening supervision and assistance around the opening of your Franchised Restaurant. Should Franchisor, in its sole and absolute discretion, determine that, based on your previous experience, nine weeks is not necessary, Franchisor may require less time for training.

Multi-Unit Development Agreement

When you sign the Multi-Unit Development Agreement, you must pay us a multi-unit development fee equal to 100% of the Franchise Fee for the first Restaurant to be developed plus 50% of the Franchise Fee for each additional Restaurant to be developed under the Multi-Unit Development Agreement. For each Restaurant developed after the first, we will apply a pro rata portion of the multi-unit development fee toward the Franchise Fee due under each Franchise Agreement. The balance of the Franchise Fee is payable when you sign the Franchise Agreement for the Restaurant being developed. You may not open any Restaurant for business until a fully executed Franchise Agreement is in place for that Restaurant. We reserve the right to adjust this formula depending upon the size of the area and the financial ability of the Multi-Unit Developer. The multi-unit development fee must be paid in a lump sum and is non-refundable. Under a Multi-Unit Development Agreement, we expect that you will develop a minimum of three DosBros® Restaurants.

For example, if you will develop four Restaurants in your Exclusive Area, your multi-unit development fee is calculated as $35,000 + (3 x $17,500 = $52,500.00) = $87,500.00.

There are no other purchases from or payments to us or any affiliate of ours that you must make before your Restaurant opens for business.

ITEM 6
OTHER FEES

Type of Fee (1)	Amount	Due Date	Remarks
Royalty Fee (2)	5% of Gross Sales	Payable on the Friday for the preceding week (or the preceding business day if the Friday is not a business day)	Amounts due will be withdrawn by EFT of ACH from your designated bank account
Advertising Fee	1% of Gross Sales	Payable at the same time and in the same manner as the Royalty Fee	The Advertising Fund, if any, is discussed in Item 11.
Local Advertising	2% of Gross Sales	Must be spent monthly	You will spend this money directly with your local advertising vendors. All advertising must be approved by us before use.
Late Fee	5% of the overdue amount, if paid more than 5 days following the due date	On demand	The late fee is applicable to Royalty Fees and Advertising Fees only. Any other payments owed to us or our affiliates may accrue interest, as described below

Type of Fee [1]	Amount	Due Date	Remarks
Interest	18% per annum or highest rate allowed by applicable law, whichever is less	On demand	Interest may be charged on all overdue amounts. Interest accrues from the original due date until payment is received in full. Interest on overdue Royalty Fees and Advertising Fees is in addition to the late fee you must also pay
Audit Fee	Cost of audit, plus understated amount with interest	When billed	Payable only if we find, after an audit, that you have understated any amount you owe to us by 3% or more. You must also pay applicable late fees and/or interest
Prohibited Product or Service Fine	$250 per day of use of unauthorized products or services	If incurred	In addition to other remedies available to us
Initial Training of additional or replacement and successor manager	Our then-current training fee per person, plus expenses	Before Training	We do not charge a fee for providing our initial training to three people. If you request that we train any additional or replacement managers, you must pay our fee as well as the manager's expenses while attending training, including travel, lodging, meals and wages
Additional Training And Grand Opening Training	If you request additional on-site training or during the first two (2) weeks your Restaurant is opened, you must pay our then-current per diem charge for each trainer and reimburse our expenses Current per diem is $500, plus out-of pocket expenses	When billed	Due at the time of your grand opening or if you request that we provide additional training on-site. The per diem rate is per trainer. Our reimbursable expenses include travel, lodging and meals. If we determine that additional training is necessary for your personnel, we will waive the per diem fee, but you must pay for our trainers' expenses, as outlined above

Type of Fee [1]	Amount	Due Date	Remarks
Transfer Fee	$7,500	Submitted with transfer application	No fee charged to an individual or partnership franchisee that transfers its rights, one time only, to a corporate entity controlled by the same interest holders
Renewal Fee	$5,000	At time of renewal	
Relocation Fee	$2,000	When we approve the new site for your Restaurant	If you request to relocate your Restaurant. We do not have to approve relocation of your Restaurant if you lose your lease
Product or Supplier Evaluation	Cost of inspection or testing	When billed	We may require you to pay us or an independent laboratory for the cost of inspection or testing if you want to use a product or supplier for the Restaurant that we have not previously approved (see Item 8).
Software Fee	To be determined	To be determined	If we develop proprietary software for use with the System, we may charge an initial license fee and a monthly maintenance fee
Computer System Service and Support	$4,000	Annually	Payable to approved supplier. All Restaurants are I-Pad based for the cash registers. You must have a service and support contract for your computer system
Liquidated Damages	See note 3		
Repair, Maintenance, and Remodeling [4]	Will vary under circumstances	As incurred	Payable to your suppliers. You must perform repairs and maintenance as needed. We will not require that you remodel your Restaurant more frequently than every five years

Type of Fee [1]	Amount	Due Date	Remarks
Insurance	Reimbursement of premiums plus our expenses in obtaining insurance	On demand	If you do not purchase the required insurance, we may (but are not required to) purchase insurance for you. If we do this, you must reimburse our costs related to obtaining insurance for you
Management Fee	10% of Gross Sales, plus expenses	As incurred	We may step in and manage your Franchised Restaurant in certain circumstances. If we do this, you must pay our management fee and reimburse our expenses
Costs and Attorneys' Fees	Will vary under circumstances	On demand	If you default under your agreement, you must reimburse us for the expenses we incur (such as attorneys' fees) in enforcing or terminating the agreement
Indemnification	Will vary under circumstances	On demand	You must reimburse us for the costs we incur if we are sued or held liable for claims that arise from your operation of the Franchised Restaurant or for costs associated with defending claims that you used the Proprietary Marks in an unauthorized manner

Notes to Item 6 Table:

1. All fees described in this Item 6 are non-refundable. Except as otherwise indicated in the preceding chart, we impose all fees and expenses listed and you must pay them to us. Except as specifically stated above, the amounts given may be due to changes in market conditions, our cost of providing services and future policy changes. At the present time we have no plans to increase payments over which we have control.

2. For the purposes of determining the royalties to be paid under the Franchise Agreement, "Gross Sales" means the total selling price of all services and products and all income of every other kind and nature related to the Restaurant (including income related to catering activities, and any sales or orders of food products or food preparation services provided from or related to the Restaurant), whether for cash or credit and regardless of collection in the case of credit. Gross Sales expressly excludes taxes collected from customers and paid to the appropriate taxing authority and customer refunds.

   If any state imposes a sales or other tax on the royalty fees, then we have the right to collect this tax from you.

We may authorize certain other items to be excluded from Gross Sales. Any exclusion may be revoked or withdrawn at any time by us. The royalty fee will be withdrawn from your designated bank account by electronic fund transfer ("EFT") monthly based on Gross Sales from the preceding calendar month, unless we require otherwise. If you do not report the Restaurant's Gross Sales, we may debit your account for 120% of the last Royalty Fee that we debited. If the Royalty Fee we debit is less than the Royalty Fee you actually owe us, we will debit your account for the balance on a day we specify. If the Royalty Fee we debit is greater than the Royalty Fee you actually owe us, we will credit the excess against the amount we otherwise would debit from your account during the following month.

3. If we terminate your Franchise Agreement for cause, you must pay us within 15 days after the effective date of termination liquidated damages equal to the average monthly Royalty Fees you paid to us during the 12 months of operation preceding the effective date of termination multiplied by (a) 24 (being the number of months in two full years), or (b) the number of months remaining in the Agreement had it not been terminated, whichever is lower.

4. Under the Franchise Agreement, you must maintain the condition and appearance of your Restaurant and its equipment in the highest degree of cleanliness, orderliness and repair and promptly replace any worn, damaged or non-conforming fixtures, leasehold improvements, equipment or other tangible property with the same or comparable item that we at that time specify for new Restaurants. We may require you to remodel your Restaurant to meet our then-current image for all Restaurants in the System. We will not make this request more frequently than every five years.

ITEM 7
ESTIMATED INITIAL INVESTMENT

FRANCHISEE INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is to be Made
Initial Franchise Fee (1)	$35,000	Lump Sum via Check	On signing Franchise Agreement	Us
Real Property (2)	$3,750 to $18,750	Monthly, nonrefundable	As Arranged	Landlord/Seller
Contractor Improvements and Construction Costs (3)	$187,500 to $375,000	As Arranged	As Arranged	Approved Suppliers
Furniture, Fixtures and Equipment (4)	$81,250 to $187,500	As Arranged	As Arranged	Approved Suppliers
Grand Opening Advertising (5)	$18,750 to $62,500	As Arranged	As Arranged	Approved Suppliers

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is to be Made
Start-up Inventory and Supplies (6)	$6,250 to $15,000	As Arranged	As Arranged	Approved Suppliers
Pre-Opening Assistance and Training (7)	$6,250 to $25,000	As Arranged	As Arranged	Us, Airlines, Hotels, Restaurants
Utility Deposits (8)	$2,500 to $5,000	As Arranged	As Arranged	Utility Companies
Business Licenses (9)	$625 to $3,125	As Arranged	As Arranged	Governmental Authorities
Additional Funds - - 3 months(10)	$25,000 to $56,250	As Arranged	As Arranged	Third Parties
Professional Fees(11)	$1,875 to $6,250	As Arranged	As Arranged	Attorney, Accountant, other Third Parties
Insurance(12)	$3,750 to $12,500	As Arranged	As Arranged	Insurers
Pre-Opening Travel Expense(13)	$3,750 to $6,250	As Arranged	As Arranged	Airline, hotel, restaurants
Computer System(14)	$1,250 to $6,250	As Arranged	As Arranged	Third Parties
TOTAL	**$374,100 to $814,375**	As Incurred	As Arranged	Various Vendors

In general, none of the expenses listed in the above chart are refundable, except any security deposits you must make may be refundable. We do not finance any portion of your initial investment.

(1) ***Initial Franchise Fee***. The initial franchise fee due under a Franchise Agreement is discussed in Item 5.

(2) ***Real Property***. The figures are for the initial phase of the business for rent, and our estimates assume that you will lease space for your Restaurant. We assume that the premises of the Restaurant will be in a shopping center location and the Restaurant will be approximately 2,500 square feet in size. Landlords may vary the base rental rate and charge rent based on a percentage of gross sales. In addition to base rent, your lease may require you to pay common area maintenance charges ("CAM Charges") for your pro rata share of the real estate taxes and insurance, and your pro rata share of other charges. The actual amount you pay under the lease will vary depending on the size of the Restaurant, the types of charges that are allocated to tenants under the lease, your ability to negotiate with landlords and the prevailing rental rates in the geographic region.

If you choose to purchase real property on which to build your Restaurant, your initial investment will probably be higher than what we estimate above. If you purchase real property, we cannot estimate how this purchase will affect your total initial investment

(3) ***Contractor Improvements and Construction Costs.*** The cost of contractor improvements and construction costs will vary depending on numerous factors, including: (i) the size and configuration of the premises; (ii) pre-construction costs (such as demolition of existing walls and removal of existing improvements and fixtures); and (iii) cost or materials and labor which may vary based on geography and location. These amounts are based on the cost of adapting our prototypical architectural and design plans to remodel and finish-out of the Restaurant and the cost of leasehold improvements. These amounts may vary substantially based on local conditions, including the availability and prices of labor and materials. These costs may also vary depending on whether certain of these costs will be incurred by the landlord, if you lease the Restaurant premises. Our estimate does not include any tenant improvement allowance you may negotiate, if you lease the Approved Location, but our estimate does include architectural drawings by third party architects or design firms, construction permit fees and, as appropriate, government imposed impact and other fees. You will need to check with an architect, local contractors and government agencies to establish the actual rates for these services in your community.

(4) ***Furniture, Fixtures and Equipment***. You must purchase the furniture, fixtures, furnishings and equipment meeting our specifications to be used in the Restaurant, including kitchen and bar equipment for the Restaurant. Costs include expenditures for ovens, ranges, grills, hoods, refrigeration equipment, ice makers, sinks, dish machines, ventilation systems, display cases, tables, stools, chairs, booths, beer system, beverage pressurization equipment, utensils, glasses, plates and silverware. The low end of the range assumes that you will take over an existing restaurant space with some of these items already in place or that you are able to purchase used equipment. The high end of the range assumes that all new equipment is purchased.

(5) ***Grand Opening Advertising***. You must conduct a grand opening advertising campaign and we must approve of the grand opening advertising campaign before you conduct it. The low figure is the estimated cost of grand opening advertising and promotion which meets our minimum requirements for the grand opening of a DosBros® Restaurant. The grand opening must occur 30 to 60 days after the initial opening of a Restaurant. The high figure is the estimated cost for more extensive advertising and promotion. You are required to provide us with all expense reports and receipt or other evidence of all expenses towards your grand opening prior to opening the Restaurant. In the event you fail to spend the minimum requirement, we have the ability to prohibit you from opening the Restaurant until such time as we are satisfied, in our sole and absolute discretion, that you have expended the applicable amount on your grand opening advertising campaign.

(6) ***Start-up Inventory and Supplies***. These amounts represent your initial inventory of food supplies, beverages, alcoholic beverages, paper goods and cleaning supplies for use in the initial phase of operating the Franchised Restaurant.

(7) ***Pre-Opening Assistance and Training***. We provide initial training to you at one of our current locations free of charge, but should we be required to travel, you are responsible for all compensation, travel and living expenses, if any. Your trained representatives may include an owner representative, manager, and/or other employees as we decide. The figures given in the chart include the per diem currently being charged to franchisees for opening assistance, including the expenses incurred by our representative(s) such as travel, lodging, meals and wages (including benefits). We have the right to require that the opening representative(s) remain on-site for a longer period if we deem it necessary, at your expense. After the pre-opening/opening assistance has been completed, you will receive a billing statement for the total costs incurred by us, and you must submit payment to us within 30 days of the billing date.

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(8) ***Utility Deposits***. You may have to provide security deposits to your utility companies, including electric, telephone and gas.

(9) ***Business Licenses.*** These are estimates of the costs for obtaining local business licenses (which typically remain in effect for one year) and for the licenses and permits you will need for the build-out of your Restaurant. The cost of these permits and licenses will vary substantially depending on the location of the Franchised Restaurant.

(10) ***Additional Funds***. These include your initial start-up expenses for the first three (3) months after commencing operations. These expenses include payroll costs. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the Restaurant. We have relied on our affiliates' experience in developing and operating DosBros® Restaurants since 2014 in compiling these estimates. Your costs will depend on factors such as: how much you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for your products and services; the prevailing wage rate; competition; and the sales level reached during the initial period.

(11) ***Professional Fees.*** We strongly recommend that you engage legal and financial advisors, like a lawyer and accountant, to assist you in your review of this offering. If you choose to form a corporation or other business entity to purchase the franchise, your legal costs may be higher.

(12) ***Insurance***. Insurance must be obtained to meet the minimum requirements established by the System standards.

(13) ***Pre-Opening Travel Expense***. This estimate is for the cost of two (2) people, including your Designated Representative, to attend our initial training program held in Cleveland, Tennessee. Your costs will ultimately depend on the number of people attending training, their point of origin, method of travel, class of accommodation and living expenses (food, transportation, etc.). This estimate does not include the cost of any salaries for your employees. The low end of the estimate assumes you are within driving distance of our training location.

(14) ***Computer System***. This is the estimate for the cost to purchase the required computer equipment and point of sale system.

MULTI-UNIT DEVELOPMENT AGREEMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is to be Made
Multi-Unit Development Fee	$70,000 to $210,000	Lump Sum via Check	On signing Multi-Unit Development Agreement	Us
Costs of Complying with Franchise Laws applicable in the Exclusive Area(1)	$1,000 to $10,000	As Arranged	As Arranged	State Agencies and/or Attorneys

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is to be Made
Professional Fees[(2)]	$3,000 to $12,000	As Arranged	As Arranged	Attorney, Accountant
TOTAL	$74,000 to $232,000			

In general, none of the expenses listed in the above chart are refundable. We do not finance any portion of your initial investment. For each DosBros® Franchised Restaurant you own and operate in your Exclusive Area in the Multi-Unit Development Agreement, you will incur the initial investment costs described in the Franchisee initial investment table set forth in Item 7 of this FDD. A Multi-Unit Developer is expected to incur these same costs for each DosBros® you develop, subject to inflation and other increases over time.

(1) ***Franchise Law Compliance***. Most states do not require Area Representatives to register separately from the franchisor. However, if you Exclusive Area includes any porition of New York or Washington, those states will require you to register as a franchise broker, which includes filing your own broker registration document with the applicable state agencies. You may incur annual re-registration fees.

(2) ***Professional Fees.*** We strongly recommend that you retain an attorney to advise you on this franchise offering. You may also wish to retain an accountant to help you evaluate this franchise offering. If you choose to form an entity to own the franchise, you may incur additional that we cannot estimate.

At the present time, we have no plans to increase payments we control.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To insure that the highest degree of quality and service is maintained, you must operate the Franchised Restaurant in strict conformity with the methods, standards, and specifications as we may prescribe in the Manual or otherwise in writing. We have the right to modify specifications, standards, suppliers and approval criteria by providing you written notice. There is no limit on our right to do so.

Products and Other Purchases

All products sold or offered for sale at the Franchised Restaurant must meet our then-current standards and specifications and be approved by us. You must purchase, install, and use all fixtures, furnishings, equipment, décor, supplies, point of sale and computer systems, communications hardware and software, signs and materials as we may reasonably require in the Manual or other written materials (collectively, “Restaurant Items”). You must purchase all products and other Restaurant Items solely from manufacturers, distributors, and suppliers who demonstrate to our continuing reasonable satisfaction the ability to meet our standards and specifications, who possess adequate quality controls and capacity to supply your needs promptly and reliably, and who have been approved by us in the Manual or otherwise in writing. You may not purchase, offer or sell any products, or use at your Franchised Restaurant any products or Restaurant Items that we have not previously approved as meeting our standards and specifications. Although neither we nor our affiliates are currently a supplier of any products or Restaurant

Items, we and our affiliates have the right to be an approved supplier of certain items. We may disapprove of products and suppliers based on our desire to consolidate System purchases through fewer suppliers. We may designate a single supplier, which may be us or one of our affiliates, for any products, equipment, supplies, or services, in which event you must purchase these items exclusively from the designated supplier.

There are no approved suppliers in which any of our officers owns an interest.

If you desire to purchase unapproved products or you wish to purchase from other than approved suppliers, you must submit to us a written request to approve the proposed product or supplier, together with evidence of conformity with our specifications as we reasonably require. We will have the right to have our representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered for evaluation and testing either to us or to an independent testing facility designated by us. Although we do not currently charge a fee, we reserve the right to have you to pay us a fee for our evaluation and testing. We will use our best efforts to complete our review within 30 days. If we do not give our written approval within this 30 day period, we will be deemed to have disapproved the proposed new supplier. We may occasionally revoke our approval of particular products, Restaurant Items or suppliers if we determine, in our sole discretion, that the products or suppliers no longer meet our standards. Upon receipt of written notice of revocation, you must stop selling any disapproved product and/or stop purchasing from any disapproved supplier. We have no obligation to make available to you or prospective suppliers our standards and specifications for approval of a product or supplier.

We estimate that your purchases from approved suppliers and/or in accordance with our specifications will represent approximately 80% to 85% of your total purchases in establishing the Franchised Restaurant, and approximately 90% in the continuing operation of the Franchised Restaurant.

We may establish strategic alliances or preferred vendor programs with suppliers that are willing to supply some products, equipment, or services to some or all of the DosBros® Restaurants in our System. If we do establish those types of alliances or programs, we may limit the number of approved suppliers with whom you may deal, we may designate sources that you must use for some or all products, equipment and services, and we may refuse to approve proposals from franchisees to add new suppliers if we believe that action would not be in the best interests of the System or the franchised network of DosBros® Restaurants. There are currently no purchasing or distribution cooperatives in our System.

We have the right to collect and retain any and all allowances, rebates, credits, incentives, or benefits (collectively, "Allowances") offered by manufacturers, suppliers, and distributors to you, to us, or to our affiliates, based upon your purchases of products and services from manufacturers, suppliers, and distributors. We or our affiliates will have all of your right, title, and interest in and to any and all of these Allowances. We or our affiliates may collect and retain any or all of these Allowances without restriction (unless otherwise instructed by the manufacturer, supplier, or distributor). At this time, we receive the first $5,000.00 of Allowances offered by suppliers and distributors. Thereafter, we do not collect Allowances from franchisees.

We have, and may continue to develop for use in the Franchise System, certain products that are prepared from highly confidential recipes which we consider to be trade secrets ("Proprietary Products"). The Proprietary Products that are or may be offered and sold in DosBros® Restaurants are manufactured in accordance with our proprietary recipes, formulae and specifications. To maintain the high standards of quality, taste, and uniformity associated with Proprietary Products sold at all DosBros® Restaurants in the System, you must purchase Proprietary Products only from the suppliers and distributors that we designate in our sole discretion, and you may not offer or sell any Proprietary Products that have not been purchased from us or our designated supplier at or from the Franchised Restaurant. We will have the right to periodically introduce additional Proprietary Products, or to withdraw Proprietary Products.

We do not provide any material benefits to you, such as the grant of a renewal franchise or additional franchises, based on your use of designated or approved suppliers.

We must approve of the location that you select for your Franchised Restaurant. You may not obtain the location by lease, sublease or purchase agreement until we have approved it. If you will occupy the premises of your Franchised Restaurant under a lease, then you must, before signing the lease, submit the lease to us for our review and approval, which will not be unreasonably withheld. At our request, you and your landlord must sign our form of Collateral Assignment of Lease, which is included as Exhibit G to the Franchise Agreement.

We must approve of the blueprints or construction plans for the build out of your Restaurant before construction may begin. Our review of the blueprints/construction plans is only intended to verify compliance with our specifications and requirements and presentation of the Marks. You must make sure that the blueprints/construction plans comply with all applicable laws, ordinances and building codes, including the Americans with Disabilities Act. You may not open the Restaurant for business until we have approved you to do so.

All advertising and promotional materials, signs, decorations, paper goods (including menus and all forms and stationery used in the Restaurant) and other items we designate must bear the Marks in the form, color, location and manner we prescribe. In addition, all advertising and promotion in any medium must be conducted in a dignified manner and must conform to the standards and requirements in the Manual or otherwise. Any advertising you propose to use for either the grand opening advertising for your Restaurant or local advertising must be submitted to us for our review before you may use the materials. You may not use any advertising materials that we have not approved. We reserve the right to require you to include certain language in your advertising materials, including "Franchises Available" and our website address and telephone number.

Insurance

You also must obtain, before beginning any operations under the Franchise Agreement, and must maintain in full force and effect at all times during the term of the Franchise Agreement, at your own expense, an insurance policy or policies protecting you, us, our affiliates, and our respective officers, directors, partners, and employees. The policies must provide protection against any demand or claim relating to personal and bodily injury, death, or property damage, or any liability arising from your operation of the Franchised Restaurant. All policies must be written by a responsible carrier or carriers whom we determine to be acceptable, must name us and our affiliates as additional insureds, and must provide at least the types and minimum amounts of coverage specified in the Franchise Agreement or otherwise in the Manual. Additionally, we may designate one or more insurance companies as the insurance carrier(s) for DosBros® Restaurants. If we do so, we may have you obtain your insurance through the designated carrier(s).

Currently you must obtain and maintain the following coverages: (1) comprehensive general liability with limits of not less than $1,000,000 aggregate; ; (2) automobile liability insurance, including owned, non-owned and hired vehicle coverage, with limits of not less than $1,000,000 aggregate, if applicable; (3) "all risk" property insurance coverage including earthquake and flood with not less than replacement cost coverage; (4) business interruption insurance in an amount of not less than $1,000,000 per occurrence; (5) workers' compensation insurance in amounts provided by applicable law or, if permissible under applicable law, any legally appropriate alternative providing substantially similar compensation to injured workers, subject to the conditions set forth in the Franchise Agreement; and (6) other insurance required by the state or locality in which the Restaurant is located and operated or as may be required by the lease for the Restaurant. You also must maintain a builder's risk policy for the duration of the initial construction of your Restaurant, as well as for any subsequent renovation, if applicable.

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.

For purposes of the following table, the abbreviation **FA** refers to the Franchise Agreement; the abbreviation **MUDA** refers to the Multi-Unit Development Agreement

Obligation	Section in Agreement (s)	Disclosure Document Item
(a) Site selection and acquisition/lease	FA - Section 5 and Exhibit A MUDA – Section III	8 and 11
(b) Pre-opening purchases/leases	FA - Section 5	7 and 8
(c) Site development and other pre-opening requirements	FA - Section 5	8 and 11
(d) Initial and ongoing training	FA - Section 6	11
(e) Opening	FA- Section 5	11
(f) Fees	FA - Sections 2, 4, 13 and 15 MUDA – Sections II and III	5 and 6
(g) Compliance with standards and policies/Operating Manual	FA - Sections 8 and 10	8, 11, and 14
(h) Trademarks and proprietary information	FA - Sections 9 and 11 MUDA – Section VII	13 and 14
(i) Restrictions on products/services offered	FA - Sections 1.3 and 8 MUDA – Section VII	16
(j) Warranty and customer service requirements	Not applicable	Not applicable
(k) Territorial development and sales quotas	FA - Not applicable MUDA – Section III	12
(l) On-going product/service purchases	FA - Section 8	8
(m) Maintenance, appearance and remodeling requirements	FA - Section 8	6 and 8
(n) Insurance	FA- Section 14	6, 7 and 8
(o) Advertising	FA -Section 13	6, 7, 8, and 11

Obligation	Section in Agreement (s)	Disclosure Document Item
(p) Indemnification	FA - Section 21.4 MUDA – Section XIV	6
(q) Owner's participation/management/ staffing	FA - Sections 8.3 and 8.4 MUDA – Section VII	15
(r) Records and reports	FA - Section 12	6
(s) Inspections and audits	FA - Sections 8.9 and 12.3 MUDA – Section XII	6 and 11
(t) Transfer	FA - Section 15 MUDA – Section XI	6 and 17
(u) Renewal	FA - Section 2.2 MUDA – Section V	6 and 17
(v) Post-termination obligations	FA - Section 17 MUDA – Section X	17
(w) Non-competition covenants	FA - Section 18 MUDA – Section XII	17
(x) Dispute resolution	FA -Section 27 MUDA – Section XIX	17
(y) Liquidated damages	FA - Section 17.11	6

ITEM 10
FINANCING

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

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

Except as listed below, BayBros FC LLC is not required to provide you with any assistance.

Pre-opening Obligations- Franchise Agreement

Before you open the Restaurant we will provide the following assistance and services:

1. We will approve or deny your proposed site for each Franchised Restaurant. (Franchise Agreement - Section 5.1). We, generally, do not own the proposed site or premises of the Franchised Restaurant and lease it to you.

2. We will provide our standard initial training program to your principal, your general manager and your kitchen manager. (Training is also discussed below in this Item 11 under the subheading "Training.") We will pay for the cost of instruction and materials, subject to the terms stated in the Franchise Agreement. (Franchise Agreement - Sections 3.2, 6)

3. We will provide you or the approved design firm and/or architect with our prototype plans and specifications for the construction of a DosBros® Restaurant and for the exterior and interior design and layout, fixtures, equipment, furnishings, and signs. You will be required to pay for any costs and/or expenses incurred by us in providing you with such plans and specifications. Such costs are incorporated in Item 7 of this Disclosure Document under "Contractor Improvements and Construction Costs." You will hire your own architect or employ a design firm and/or architecture firm designated by us to adapt the plans to your site (with our approval as described below under the heading "Construction and Layout of Restaurant"), and you will hire a contractor to build the Franchised Restaurant in accordance with those approved plans. You must also comply with all local and other requirements relating to the plans, including zoning, code, and compliance with the Americans with Disabilities Act. (Franchise Agreement - Sections 3.1, 5.3)

4. We have the right to inspect and approve the Franchised Restaurant for opening before the initial opening. You may not start operation of your Franchised Restaurant until receiving our approval to do so. (Franchise Agreement - Section 5.4)

5. We will furnish our representative(s) to provide you with on-site pre-opening and opening supervision and assistance for up to two weeks, at your expense. These representatives may include a manager or other staff members as we decide. We have the right to require that the opening representative(s) remain on-site for a longer period of time if we deem it necessary. You must pay to us the per diem fee then being charged to franchisees generally for opening assistance, including payments of any expenses incurred by the opening representative(s), such as costs of travel, lodging, meals and wages. (Franchise Agreement – Section 3.3)

6. We will lend you, for the duration of the Franchise Agreement, a copy of the Manual (which is more fully described in Item 14 below). (Franchise Agreement - Section 3.4)

7. We will assist you in developing a Grand Opening Advertising Program (which is more fully described in Item 7 of this Disclosure Document and in this Item under "Advertising"); you will pay for the cost of this program. (Franchise Agreement - Sections 3.6, 13.2)

8. We will provide you a list of our then-current designated or approved suppliers, if any. (Franchise Agreement - Section 3.9)

Pre-opening Obligations - Multi-Unit Development Agreement:

Under the Multi-Unit Development Agreement we will provide you with the following assistance:

1. We will grant to you exclusive rights to an Exclusive Area within which you will assume the responsibility to establish and operate an agreed-upon number of DosBros® Restaurants under separate Franchise Agreements (Multi-Unit Development Agreement – Section 1.1). We, generally, do not own the proposed site or premises of the Franchised Restaurant and lease it to you.

2. We will review site survey information on sites you select for conformity to our standards and criteria for potential sites and, if the site meets our criteria, approve the site for a Restaurant (Multi-Unit Development Agreement – Section 8.1).

3. We will provide you with standard specifications and layouts for building and furnishing the Restaurant (Multi-Unit Development Agreement – Section 8.2).

4. We will review your site plan and final build-out plans and specifications for conformity to our standards and specifications (Multi-Unit Development Agreement – Section 8.3).

5. We may conduct on-site evaluations, as we deem advisable, as part of our evaluation of the site for a Restaurant (Multi-Unit Development Agreement – Section 8.4).

6. We will provide other resources and assistance as may be developed and offered to our Multi-Unit Developers (Multi-Unit Development Agreement – Section 8.5).

Continuing Obligations – Franchise Agreement

During the operation of a Restaurant we will provide the following assistance and services:

1. We may conduct, as we deem advisable, periodic inspections of the Franchised Restaurant and may provide evaluations of the products sold and services rendered at the Franchised Restaurant. (Franchise Agreement - Sections 3.8, 8.9)

2. We will make available additional training programs, as we deem appropriate. (Franchise Agreement - Sections 6.4)

3. We will give you periodic and continuing advisory assistance as to the operation and promotion of the Franchised Restaurant, as we deem advisable. (Franchise Agreement - Section 3.7)

4. We will provide you with minimum and/or maximum prices that you may charge for your menu items, as permitted by applicable law. (Franchise Agreement - Section 3.10) If we set the minimum and/or maximum price, we do not make any guarantee that you will achieve any level of sales or profitability.

Site Selection

If you do not already possess a location that we find acceptable for a DosBros® Restaurant when you sign our Franchise Agreement, we will provide you with procedures for locating, evaluating, and obtaining our approval of a site. You will be given up to 90 days in which to find a suitable site for your DosBros® Restaurant within the area that we designate as your designated trade area. Within this 90 day period after signing the Franchise Agreement, you must submit to us a completed site approval package in a form specified by us, which includes an option contract, a letter of intent or other evidence satisfactory to us that describes your favorable prospects for obtaining the site, photographs of the site, demographic statistics, and other information or materials that we may reasonably require (collectively, the "Site Approval Package"), obtain our approval of the site and secure the site by lease, sublease or purchase agreement. We will have 30 days after we receive the Site Approval Package from you to approve or disapprove, in our sole discretion, the location for the Franchised Restaurant. You must, on terms that we deem acceptable, secure a lease or a binding agreement for the purchase of the authorized site. (The lease or purchase agreement must be submitted to us for our approval before you acquire the authorized site.)

Under the Franchise Agreement, we will be deemed to have disapproved a proposed location unless we have expressly approved it in writing. In approving a location for the Franchised Restaurant, we consider the location, neighborhood, traffic patterns, visibility, parking facilities, size, lease, and zoning. If you do not locate and secure an acceptable site within the required time frames, you will be in default of your Franchise Agreement with us for which we may terminate your agreement. Approval by us of the site indicates only that the site meets the minimum requirements for a DosBros® Restaurant. If you do not secure a suitable site for the Restaurant within 90 days after you sign the Franchise Agreement, we may provide you with an extension of this timeframe or we may terminate the Franchise Agreement.

Construction and Layout of Restaurant

We will provide our standard plans and specifications for a prototype DosBros® Restaurant, including interior design and layout, to you or to the design firm or architect that we have designated or approved (as described below). These plans and layouts are not intended, with respect to your particular location, to contain, address or comply with the requirements of any federal, state or local law, code or regulation, including those concerning the Americans with Disabilities Act (the "ADA") or similar rules governing public accommodations for persons with disabilities. We may change our prototypes and plans (including our specifications for the interior and exterior appearances) of DosBros® Restaurants, and develop or approve variations on our prototypes and plans to reflect locations with differing sizes, structural elements, visibility and other relevant factors.

You must hire a licensed architect (as described below) to prepare all construction plans and specifications to suit the shape and dimensions of the site (which is more fully described in Item 7 of this Disclosure Document and in this Item under "Co"). We have the right to designate one or more suppliers of design and/or architecture services to perform these services for our System. During any period that we have designated a design or architecture firm before you begin to develop your Franchised Restaurant, you must employ the designated supplier to prepare all designs and plans for the Franchised Restaurant. If we have not designated suppliers for design and architecture services for your geographic area, you must locate and employ a qualified design consultant and architect who are licensed in your jurisdiction and who are reputable and experienced in providing design and architecture services. You must pay for all design and architecture services.

You must make sure that the plans and specifications for the build-out of your Restaurant comply with the ADA and all other applicable regulations, ordinances, building codes and permit requirements and with lease or sublease requirements and restrictions, if any. You must submit final plans and specifications to us for approval before construction of the Franchised Restaurant begins. Our review is not designed to assess compliance with federal, state or local laws and regulations and is limited to review of the plans to access compliance with our design standards for DosBros® Restaurants, including items such as trade dress, presentation of Proprietary Marks, and the provision to the potential customer of certain products and services that are central to the functioning of DosBros® Restaurants. Additionally, before opening the Franchised Restaurant (and before renovating it after the initial opening), you must sign and deliver to us an ADA Certification (in the form that is attached as Exhibit B to the Franchise Agreement) certifying to us that the Franchised Restaurant and any proposed renovations comply with the ADA.

Opening of Franchised Restaurant

We estimate that the time period between the signing of the Franchise Agreement and the start of operations will be approximately 6 to 12 months. Factors that may affect this time period include your ability to obtain financing or building permits, zoning and local ordinances, weather conditions, shortages, or delayed installation of equipment, fixtures and signs. Unless we agree in writing otherwise, you must conduct the opening of your Franchised Restaurant within 12 months after signing the Franchise Agreement. You may not open the Franchised Restaurant until we have authorized you to do so. If you are unable to open the Franchised Restaurant within 12 months after you sign the Franchise Agreement, we may provide you with an extension of this timeframe or we may terminate the Franchise Agreement.

Computer System

You will need to acquire (either by purchase or lease) the computer hardware and software system, including point of sale system (a "Computer System"), that we may periodically specify. (Franchise Agreement - Section 7.) The term Computer System refers to hardware, software for the management and operation of the Franchised Restaurant and for reporting and sharing information with us, point of sale systems, and communication systems (including modems, cables, etc.). Our specifications may fluctuate as does the price and availability of new computer technology. As of the date of this Disclosure Document you must purchase the computerized point of sale system we specify in the Manual. Currently we require our franchisees to purchase IPads equipped with Square functionalities. We have not approved any hardware or software in place of these systems and programs, although we reserve the right to do so in the future. The Computer System will provide you with the following functions: collect and monitor point-of-sale information and credit card processing. There is no contractual limitation on our use of the information we obtain. We estimate that the initial cost of your Computer System will be between $1,000 and $5,000.

The configuration for your Computer System, including necessary components and software, and the approved supplier for the Computer system will be provided in the Manual. There is no contractual limitation on our ability to have you improve or upgrade your Computer System during the term of your Franchise Agreement, and there is no contractual limitation on the frequency or cost of upgrades. Neither we nor any affiliate of ours will provide you with any updates, upgrades or maintenance for your Computer System.

You will receive, from the respective manufacturers, a one year maintenance package for hardware. After this initial warranty/maintenance package expires, you must purchase a full service and support maintenance contract for your Computer System to make sure that you receive any updates or upgrades to the Computer System (including software upgrades) and to make sure that your Computer System operates at peak efficiency. We estimate that your cost to purchase a full service and support maintenance contract will be between $500 and $1,000 on an annual basis.

We reserve the right to change our specifications in the future to take advantage of technological advances or to adapt the system to meet operational needs and changes. We may require you to bring any computer hardware and software, related peripheral equipment, communications systems into conformity with our then-current standards for new DosBros® Restaurants. In connection with a proprietary program that we may develop, we or our approved vendor may have you to sign a license or maintenance agreement to obtain and use the proprietary program. Other than providing you with information regarding our specifications for the Computer System, we do not need to assist you in obtaining hardware, software or related services. We will try to keep these changes infrequent and reasonable in cost, but the Franchise Agreement does not impose a limit as to the number or cost of changes to the Computer System.

You must provide us with access to your Computer System in the form and manner that we may request, at your expense. You must have a high speed internet connection at all times for your Computer System. We reserve the right to download sales, other data and communications from your Computer System. There is no contractual limitation on our right to receive this information. We will exclusively own all data provided by you, downloaded from your Computer System, and otherwise collected from your Computer System. We will have the right to use any data in any manner that we deem appropriate without compensation to you.

Advertising

National Advertising Fund

We reserve the right, but are under no obligation, to establish and administer a National Advertising Fund (the "Fund") for the purpose of advertising DosBros® Restaurants on a regional or national basis so as to maximize general public recognition and acceptance of the Marks and enhance the collective success of all restaurants operating under the System. If and when the Fund is established, you must contribute 1% of the Gross Sales of the Restaurant to the Fund each month. We reserve the right to use the Fund for various purposes, including, but not limited to the creation, development and production of advertising and promotional materials (*i.e.*, print ads, radio, film and television commercials, videotapes, direct mail pieces, and other print advertising) or any marketing or related research and development. The fee will be paid in the same manner described above for Royalty payments. Restaurants operated by us or our affiliates will contribute to the Fund generally on the same basis as you.

We will direct all advertising programs and will have sole discretion to approve or disapprove the creative concepts, materials and media used in the programs and the placement and allocation. In administering the Fund we are not required to make expenditures for you which are equivalent or proportionate to your contribution or to ensure that any particular franchisee benefits directly or pro rata from the placement of advertising.

When established, the Fund may be used to satisfy any and all costs of maintaining, administering, directing and preparing advertising (including the costs of preparing and conducting television, radio, magazine and newspaper advertising campaigns; direct mail and outdoor billboard advertising; public relations activities, employing advertising agencies; and costs of our personnel and other departmental costs for advertising that is internally administered or prepared by us). All sums paid by you to the Fund will be maintained in a separate account by us and will not be used to solicit new franchisees. An unaudited statement of the operations of the Fund will be prepared annually by us and will be made available to you on request. Any money in the Fund that is not spent in the fiscal year in which it accrues will be carried over and remain in the Fund to be spent in the next fiscal year.

Although the Fund is intended to be of perpetual duration, we may terminate the Fund. The Fund shall not be terminated until all monies in the Fund have been expended for advertising or promotional purposes or returned to contributing DosBros® Restaurants, without interest, on the basis of their respective contributions. If we terminate the Fund we may reinstate it at any time and any reinstated Fund shall be administered as described above.

Local Advertising and Promotion

You must conduct local advertising in your Designated Territory and you must spend at least 2% of Gross Sales each month for local advertising. Certain criteria will apply to any local advertising and promotion that you conduct. All of your local advertising and promotion must be dignified, must conform to our standards and requirements, and must be conducted in the media, type, and format that we have approved. You must submit to us samples of all proposed plans and materials. You must obtain our approval of the prices you intend to charge. If we do not give our written approval within 15 days, the proposed plans or materials are deemed not approved.

All copyrights in and to advertising and promotional materials you develop (or that are developed for you) will become our sole property. You must sign the documents (and, if necessary, have your independent contractors to sign the documents) that we deem necessary to implement this provision. At our request, you must include certain language in your local advertising materials, such as "Franchises Available" and our website address and telephone number.

As used in the Franchise Agreement, the term "local advertising and promotion" refers to only the costs of purchasing and producing advertising materials (such as camera-ready advertising), media (space or time), social media, promotion, and your direct out-of-pocket expenses related to costs of advertising and sales promotion in your local market or area. Local advertising and promotion also includes associated advertising agency fees and expenses, postage, shipping, telephone, and photocopying costs. "Local advertising and promotion" does not, however, include any of the following: salaries and expenses of your employees; charitable, political, or other contributions or donations; and the value of discounts given to customers.

Within 30 days of our request, you must provide us with proof that you have conducted the required local advertising, including verification copies of advertising.

Opening Advertising Program

In addition to local advertising and promotion, you must prepare and conduct an opening advertising program (the "Opening Advertising Program"), in accordance with our specifications for that program, and you must spend between $15,000 and $50,000 for your Opening Advertising Program. All materials used in the Opening Advertising Program will be subject to our prior written approval, as described above. We will work with you to develop your Opening Advertising Program for your market. We, our affiliates or approved suppliers may periodically make available to you, for purchase, certain advertising plans and promotional materials for your use in local advertising and promotion. The Opening Advertising Program does not count toward your local advertising requirement.

Cooperative Advertising

We may form, or approve the formation of, an Advertising Cooperative for the locality or region encompassing your Designated Territory, and if we do you must join and actively participate in the Advertising Cooperative. An Advertising Cooperative will include all DosBros® Restaurants in that area, whether operated by us, our affiliate or our franchisees. Each Advertising Cooperative will be organized for the exclusive purpose of administering advertising programs and developing, subject to our approval, promotional materials for use by the members of the Cooperative in local advertising. Each member of the Advertising Cooperative will be entitled to one vote for purposes of electing officers and approving or disapproving proposed collective advertising ventures. All Advertising Cooperatives are independent and controlled solely by their voting members. You must contribute to your Advertising Cooperative on a monthly basis the amounts required by the documents governing the Advertising Cooperative or as agreed by the members, but you will not have to contribute more than 2% of Gross Sales from the Restaurant, unless, subject to our approval, the members of the Advertising Cooperative agree to the payment of a larger fee. All Advertising Cooperative contributions made by you will be applied against your local advertising requirement, but if the amount you contribute to the Advertising Cooperative is less than the amount you must spend for local advertising you must still spend the difference locally. The amount you contribute to an Advertising Cooperative will not decrease the amounts due to the National Advertising Fund. No Advertising Cooperatives have been established as of the date of this Disclosure Document.

We will have the right at any time to form, change, merge or dissolve any Advertising Cooperative. If the Advertising Cooperative will operate from written documents such as by-laws, you will have the opportunity to review these governing documents before joining the Advertising Cooperative.

Advisory Council

We may form or require the formation of a franchisee advisory council or association ("Advisory Council") or a successor council to serve as an advisory council to us with respect to advertising, marketing, and other matters relating to DosBros® Restaurants. Members of an Advisory Council include our representatives and franchisee representatives chosen by us. If we choose to form an Advisory Council, we may require you to become a member of the Advisory Council. In this event, you shall abide by the rules and regulations of the Advisory Council and shall at all times maintain your membership in the Advisory Council in good standing. The Advisory Council will act in an advisory capacity only and will not have decision making authority. We reserve the right to form, change, merge or dissolve any Advisory Council in our discretion.

Websites

We alone may establish, maintain, modify or discontinue all internet, worldwide web and electronic commerce activities pertaining to the System. We may establish one or more websites accessible through one or more uniform resource locators ("URLs") and, if we do, we may design and provide for the benefit of your Restaurant a "click through" subpage at our website for the promotion of your Restaurant. If we establish one or more websites or other modes of electronic commerce and if we provide a "click through" subpage at the website(s) for the promotion of your Restaurant, you must routinely provide us with updated copy, photographs and news stories about your Restaurant suitable for posting on your "click through" subpage. We reserve the right to specify the content, frequency and procedure you must follow for updating your "click through" subpage.

Any websites or other modes of electric commerce that we establish or maintain may – in addition to advertising and promoting the products, programs or services available at DosBros® Restaurants – also be devoted in part to offering DosBros® franchises for sale and be used by us to exploit the electronic commerce rights which we alone reserve.

In addition to these activities, we may also establish an intranet through which downloads of operations and marketing materials, exchanges of franchisee e-mail, System discussion forums and System-wide communications (among other activities) can be done. Unless otherwise approved in writing by us, you may not maintain your own website; otherwise maintain a presence or advertise on the internet or any other mode of electronic commerce in connection with your Restaurant; establish a link to any website we establish at or from any other website or page; or at any time establish any other website, electronic commerce presence or URL which in whole or in part incorporates the "DosBros®" name or any name confusingly similar to the Proprietary Marks.

You are not permitted to promote your Restaurant or use any of the Proprietary Marks in any manner on any social or networking websites, such as Facebook, FourSquare, Instagram, LinkedIn or Twitter, without our prior written consent. We will control all social media initiatives. You must comply with our System standards regarding the use of social media in your Restaurant's operation, including prohibitions on your and the Restaurant's employees posting or blogging comments about the Restaurant or the System, other than on a website established or authorized by us ("social media" includes personal blogs, common social networks like Facebook, FourSquare, Instagram and professional networks like LinkedIn, live-blogging tools like Twitter, virtual worlds, file, audio and video-sharing sites, and other similar social networking or media sites or tools). We will provide access to branded social media pages/handles/assets, and you must update these regularly. We reserve the right to conduct collective/national campaigns via local social media on your behalf.

We alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any website we establish and maintain, including any and all material you may furnish to us for your "click through" subpage.

Training

Not later than 4 weeks before your Franchised Restaurant opens, your principal, your general manager and kitchen manager (a maximum of three people) must attend and complete, to our satisfaction, the initial training program that we offer at a location designated by us. We will bear the cost of all training (instruction and instructional materials) for the initial training program and all other training, except as described below regarding additional training and assistance that we provide at your Franchised Restaurant. You will bear all other expenses incurred in attending training, such as the costs of transportation, lodging, meals, wages, and worker's compensation insurance. If you want to enroll additional trainees in our initial training program, and we agree to this, you must pay our then-current training fee as well as the trainee's out-of-pocket expenses in attending training, including travel, lodging, meals and wages.

If any of your required managers are no longer actively employed in the Franchised Restaurant, then you must enroll a qualified replacement (who must be reasonably acceptable to us) in our initial training program promptly following the end of the first manager's employment, provided that you may train employees if we have authorized you to do so. We may designate that certain of your managers must be certified at their positions. Any required managers shall complete the initial training program as soon as is practicable, but in no event later than any time periods we specify in the Manual and otherwise in writing. Replacements managers must be trained according to our standards and you may be permitted to provide this training directly, if you meet our then-current standards for qualifying as a training facility. We also have the right to require that any of your owners that have at least a 10% beneficial interest attend those portions of the initial training program that we believe are appropriate for owners not involved in the daily operations of the Restaurant. We have the right to review any personnel you trained and to require that these persons attend and complete, to our satisfaction, our initial training program, at your expense. If you send additional or replacement personnel to our initial training program, it will be at your cost, including our then-current training fee plus the trainees' expenses, including travel, lodging, meals, wages and workers' compensation.

As part of the opening of your Franchised Restaurant, we may provide you with our representative(s) to provide you with on-site pre-opening and opening supervision and assistance for up to two weeks, at your expense. These representatives may include a manager or other staff members as we decide. We have the right to require that the opening representative(s) remain on-site for a longer period of time if we deem it necessary. You must pay to us the per diem fee then being charged to franchisees generally for opening assistance, including payments of any expenses incurred by the opening representative(s), such as costs of travel, lodging, meals and wages. We will not be responsible for training or offering guidance with respect to compliance with any laws, ordinance or other legal matters. We will determine, in our best judgment, the total amount of time our representative(s) will spend at your Franchised Restaurant providing this assistance.

If you request additional days of on-site training in connection with your opening, or at a later time, we may charge you our then-current per diem training fee for the additional training provided; and you will also have to reimburse us for all out of pocket costs and expenses associated with the additional training, including lodging, food and travel arrangements of the trainers. If we determine that additional training is necessary for your personnel, we will waive the per diem fee but you must pay for our trainers' expenses.

The subjects covered in the initial training program are described below. We currently anticipate that our initial training program will last for approximately nine weeks. The materials for the training will be provided through our Manual, handouts and use of other presentation tools. We have the right to change the duration and content of our initial training program. We also have the right to modify any subject in our training program based on the individual needs or experience of a trainee.

TRAINING PROGRAM – PRINCIPALS AND GENERAL MANAGERS

Column 1 Subject	Column 2 Hours of Classroom Training	Column 3 Hours of On-the-Job Training	Column 4 Location
Front of House Orientation	0	30-50	Note 1
Food Preparation	0	30-50	Note 1
Food Safety	0	5-10	Note 1
Shift Management	0	30-50	Note 1
Administrative	0	10-20	Note 1
POS	0	5-10	Note 1

1. The initial training program is conducted at our corporate training facilities in Cleveland, Tennessee at one of our affiliate's Restaurants.

We may draw upon the substantial experience of our affiliates' employees to assist in providing training. The minimum experience of the Director of Training, if one is named at that time, and the instructors in the field that is relevant to the subject taught and our operations is from 1 to 15 years. Milan Patel and/or Kush Shah, co-founders of DosBros®, or a designated representative of their choosing, shall supervise and manage the training programs and the training staff.

There currently are no fixed training schedules. We will hold our training program on an "as needed" basis, at least once every two months, depending on the number of franchisees and their employees needing training.

Additionally, we may require that you or your Designated Principal and managers attend any refresher courses, seminars, and other training programs as we may periodically designate. We may offer voluntary training programs. If these refresher and additional training programs are conducted at our headquarters or at an affiliate-owned DosBros® Restaurants, we will bear the costs associated with providing these training programs. However, if you request that we provide any of this training at your Franchised Restaurant, and we do so, we may charge you our then-current per diem training fee for the additional training provided; and you will also have to reimburse us for all out of pocket costs and expenses associated with the additional training, including lodging, food and travel arrangement of the trainers.

We may choose to hold an annual meeting of our franchisees to provide additional training, introduce new products or changes to the System, or for other reasons. We may designate that attendance at an annual meeting is mandatory for you, your General Manager and/or other Restaurant personnel. We do not anticipate charging a fee for the meeting, but you will pay for all of the expenses incurred by your attendees at the meeting, including travel, lodging, meals and wages. We will designate the location of any franchisee meeting, such as a resort hotel, but we will not designate an unreasonably expensive site.

Manual

You must comply with all of the specifications, procedures, and standards set out in our Manual. The table of contents to our Manual is contained in Exhibit H. Our Manual contains approximately 33 pages.

ITEM 12
TERRITORY

Franchise Agreement

Your Franchise Agreement will specify the site that will be the Approved Location for your Franchised Restaurant. Your Franchise Agreement will also specify a Designated Territory. The size and scope of the Territory will be contained in the Franchise Agreement and will be described in terms of street, municipality and/or county boundaries and will be approximately a three mile radius from your Restaurant. We estimate that your Designated Territory will include a prospective customer base of 30,000 households. The Designated Territory is not the same area as, and will be smaller than, the trade area in which you will be looking for a site. 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.

During the term of the Franchise Agreement, we will not establish or operate, nor license any other person to establish or operate, a DosBros® Restaurant in the Designated Territory, except as may be permitted under the Franchise Agreement and those exceptions are described below. There are no circumstances under which the Designated Territory may be altered before expiration or termination of the Franchise Agreement. Your territorial protection is not dependent upon achievement of a certain sales volume, market penetration, or other factors, other than compliance with the Franchise Agreement.

If, during the term of the Franchise Agreement, you wish to relocate your Restaurant, you must submit to us in writing the materials we require to consider your request, including information concerning the proposed new location for the Restaurant. You must also meet certain other requirements, such as being in compliance with the Franchise Agreement, the location meets our then-current requirements for a DosBros® Restaurant and is located within your Designated Territory, and you must sign our then-current form of Franchise Agreement. If we permit you to relocate, you will not pay a new initial franchise fee when you sign the new Franchise Agreement but you must pay our then-current relocation fee. If the Restaurant is damaged or destroyed and cannot be repaired within 60 days, you shall have 45 days to apply for our approval to relocate and/or reconstruct the Franchised Restaurant and, in this event, the relocation fee will not be charged.

Under the Franchise Agreement, we and our affiliates retain all the rights that we do not specifically grant to you. Among the rights that we retain are the following (the following list is only for purposes of illustration and is not meant to limit our rights):

(1) We may own, acquire, establish, and/or operate and license others to establish and operate businesses, including DosBros® Restaurants operating under the Proprietary Marks and the System selling the products at any location outside your Designated Territory regardless of their proximity to, or potential impact on, your Designated Territory or Franchised Restaurant.

(2) We may own, acquire, establish and/or operate, and license others to establish and operate, non-restaurant businesses under the Proprietary Marks at any location within or outside the Designated Territory.

(3) We may own, acquire, establish and/or operate, and license others to establish and operate, businesses under proprietary marks other than the Proprietary Marks, whether the businesses are similar to or different from the Franchised Restaurant, at any location within or outside the Designated Territory, notwithstanding their proximity to the Designated Territory or the Approved Location or their actual or threatened impact on sales of the Franchised Restaurant.

(4) We may own, acquire, establish, and/or operate, and license others to establish and operate, DosBros® Restaurants under the Proprietary Marks at Non-Traditional Sites (as defined below) at any location within or outside the Designated Territory and regardless of proximity to your Restaurant. "Non-Traditional Sites" means outlets that serve primarily the customers located within the facility, such as captive audience facilities (such as parks charging admission, food courts in a mall, stadiums, amusement parks and centers, theaters and art centers), limited purpose facilities (such as airports, transportation centers, department stores, indoor shopping centers, business and industrial complexes, museums, educational facilities, hospitals, art centers, and recreational parks), limited access facilities (such as military complexes, buyer club businesses, educational facilities, business and industrial complexes), and other types of institutional accounts.

(5) We may sell and distribute, directly or indirectly, or to license others to sell and to distribute, directly or indirectly, any products (including the Proprietary Products) through grocery stores, convenience stores or "club" stores (such as Costco or Sam's Club), through outlets that are primarily retail in nature, or through mail order, toll free numbers, or the Internet, including those products bearing our Proprietary Marks, provided that distribution within the Designated Territory shall not be from a DosBros® Restaurant established under the System that is operated from within the Designated Territory (except from a DosBros® Restaurant at a Non-Traditional Site).

(6) We may be acquired (regardless of the form of transaction) by a business identical or similar to DosBros® Restaurants, even if the other business operates, franchises and/or licenses competitive businesses within your Designated Territory.

(7) We may engage in any other business activities not expressly prohibited by the Franchise Agreement, both within and outside your Designated Territory.

You may sell our Proprietary Products and related merchandise to retail customers and prospective retail customers who live anywhere but who choose to dine in your Restaurant. You may not engage in any promotional activities or sell our Proprietary Products or similar products or services, whether directly or indirectly, through or on the Internet, the World Wide Web, or any other similar proprietary or common carrier electronic delivery system; through catalogs or other mail order devices sent or directed to customers or prospective customers located anywhere; or by telecopy or other telephonic or electronic communications, including toll-free numbers, directed to or received from customers or prospective customers located anywhere. While you may place advertisements in printed media and on television and radio that are targeted to customers and prospective customers located within your Designated Territory, and you will not be deemed to be in violation of the Franchise Agreement if those advertisements, because of the natural circulation of the printed media or reach of television and radio, are viewed by prospective customers outside of your Designated Territory, you may not make any sales or deliver any products to customers located outside of your Designated Territory unless the customer is located in an area where there is not another DosBros® Restaurant in operation. You have no options, rights of first refusal, or similar rights to acquire additional franchises. You may not sell our Proprietary Products to any business or other customer at wholesale.

We and our affiliates may sell products under the Proprietary Marks within and outside your Designated Territory through any method of distribution other than a dedicated DosBros® Restaurant, including sales through channels of distribution such as the Internet, catalog sales, telemarketing or other direct marketing sales (together, "alternative distribution channels"). You may not use alternative distribution channels to make sales outside or inside your Designated Territory and you will not receive any compensation for our sales through alternative distribution channels.

We have not yet established other franchises or company-owned outlets or another distribution channel selling or leasing similar products or services under a different trademark. We describe earlier in this Item 12 what we may do anywhere and at any time.

Except for the Restaurants operated by our affiliates, neither we nor any parent or affiliate has established, or presently intends to establish, other franchised or company-owned Restaurants which sell our proprietary products or services under a different trade name or trademark, but we reserve the right to do so in the future, without first obtaining your consent.

Multi-Unit Development Agreement

Under the Multi-Unit Development Agreement we grant you the right to develop and operate the number of DosBros® Restaurants in the Exclusive Area that is specified in the Development Schedule, which is an exhibit to the Multi-Unit Development Agreement. The Exclusive Area is typically described in terms of municipal or county boundaries but may be defined as a specified trade area in a municipality. The actual size of the Exclusive Area will vary depending upon the availability of contiguous markets, our long range development plans, your financial and operational resources, population and market conditions. Our designation of a particular Exclusive Area is not an assurance or warranty that there are a sufficient number of suitable sites for Restaurants in the Exclusive Area for you to meet your Development Schedule. The responsibility to locate and prepare a sufficient number of suitable sites is solely yours and we have no obligation to approve sites which do not meet our criteria so you can meet the Development Schedule.

Except as described below, during the term of the Multi-Unit Development Agreement, we and our affiliates will not operate or grant a franchise for the operation of Restaurants to be located within the Exclusive Area. However, we have the right to terminate this exclusivity if you are not in full compliance with all of the terms and conditions of the Multi-Unit Development Agreement and all of the Franchise Agreements signed under it. Your territorial rights to the Exclusive Area may, in our discretion, include the right to develop Restaurants at any Non-Traditional Site.

Except as expressly limited by the Multi-Unit Development Agreement, we and our affiliates retain all rights with respect to DosBros® Restaurants, the Proprietary Marks, and any products and services anywhere in the world including the right: (a) to produce, offer and sell and to grant other the right to produce, offer and sell the products offered at Restaurants and any other goods through similar or dissimilar channels of distribution, both within and outside the Exclusive Area, under trade and service marks other than the Proprietary Marks and under any terms and conditions we deem appropriate; (b) to operate and to grant others the right to operate Restaurants located outside the Exclusive Area under any terms and conditions we deem appropriate and regardless of proximity to your Restaurants; (c) to operate and to grant others the right to operate Restaurants at Non-Traditional Sites within and outside the Exclusive Area under any terms and conditions we deem appropriate; and (d) the right to acquire and operate a business operating one or more Restaurants or food service businesses located or operating in your Exclusive Area.

To maintain your rights under the Multi-Unit Development Agreement you must have open and in operation the cumulative number of DosBros® Restaurants stated on the Development Schedule by the dates agreed upon in the Development Schedule. Failure to do so will be grounds for either a loss of territorial exclusivity or a termination of the Multi-Unit Development Agreement. After you have completed the Development Schedule, if we believe that it is desirable to establish additional Restaurants within the Exclusive Area, and if you are in compliance with your Multi-Unit Development Agreement, we will offer you the right to develop these additional Restaurants. You must exercise this option, in full, within 60 days after our notice to you. If you do not exercise or you decline this right of first refusal, we shall have the right to sell these development rights to another multi-unit developer or to develop the Restaurants ourselves.

In addition, upon the earlier of the expiration of the term of the Multi-Unit Development Agreement or upon your execution of a Franchise Agreement for the last DosBros® Restaurant to be developed within the Exclusive Area, your exclusive rights under the Multi-Unit Development Agreement with respect to the Exclusive Area will terminate and we and our affiliates will have the right to operate and to grant to others development rights and franchises to develop and operate Restaurants within the Exclusive Area. This right will be subject only to the territorial rights under the franchise agreements signed by you for Restaurants in the Exclusive Area. The Exclusive Area may not be altered unless we and you mutually agree to do so. You are not granted any option, right of first refusal or similar right to acquire additional Restaurants in your Exclusive Area under the Multi-Unit Development Agreement, except as described above. There are no minimum sales goals, market penetration or other contingency that you must meet to keep the exclusivity of your Exclusive Area, except that you must meet your Development Schedule.

ITEM 13
TRADEMARKS

The Franchise Agreement grants you the right to use certain trademarks, trade names, service marks, symbols, emblems, logos and indicia of origin designated by us. These Marks may be used only in the manner we authorize and only for the operation of your Franchised Restaurant.

You may not use the Marks as a part of your corporate or other legal name, and you must comply with our instructions in filing and maintaining trade name or fictitious name registrations. You must sign any documents we require to protect the Marks or to maintain their continued validity and enforceability. In addition, you may not directly or indirectly contest the validity of our ownership of or our rights in and to the Marks.

BayBros, LLC (i.e., IP Licensor), owns the following Marks, that have been licensed to us by way of a License Agreement, which have been registered with the U.S. Patent and Trademark Office ("USPTO") on the Principal Register:

Mark	Filing Date	Serial Number	Registration Date	Registration No.
DOS BROS (service mark)	04/07/2017	87402512	03/13/2018	5421793
DosBros Fresh Mexican Grill (service mark)	04/07/2017	87402563	03/13/2018	5421795

BayBros, LLC, intends to renew its registrations for the remaining Marks when they become due.

There are no currently effective material determinations of the USPTO, Trademark Trial and Appeal Board, the trademark administrator of this state or any court, nor is there any pending infringement, opposition, or cancellation proceeding, nor any pending material litigation involving the Principal Trademarks which may be relevant to their use in this state or in any other state.

There is a License Agreement in place between BayBros, LLC and us for the non-exclusive right and license to use the trademarks as provided above. Pursuant to our License Agreement, we have the right to sub-license the trademarks to franchisees of DosBros®.

We do not know of any infringing uses that could materially affect your use of the Proprietary Marks in this state or elsewhere.

You must promptly notify us of any unauthorized use of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to our ownership of, right to use and to license others to use, or your right to use, the Proprietary Marks. We have the right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement. We have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks. We will defend you against any third-party claim, suit, or demand arising out of your use of the Proprietary Marks. However, if we determine that you have used the Proprietary Marks in accordance with your Franchise Agreement, we will bear the cost of defense, including the cost of any judgment or settlement. If we determine that you have not used the Proprietary Marks in accordance with your Franchise Agreement, you must bear the cost of defense, including the cost of any judgment or settlement. If there is any litigation relating to your use of the Proprietary Marks, you must sign all documents and do all things as may be necessary to carry out a defense or prosecution, including becoming a nominal party to any legal action. Unless litigation results from your use of the Proprietary Marks in a manner inconsistent with the terms of your Franchise Agreement we will also reimburse you for your out-of-pocket costs.

We reserve the right to substitute different proprietary marks for use in identifying the System and the DosBros® Restaurants operating under it if we, in our sole discretion, determine that substitution of different marks as Proprietary Marks will be beneficial to the System. You must promptly implement any substitution of new Proprietary Marks. We do not have to reimburse you for the expenses you incur relating to a change in or substitution of a Proprietary Mark.

You must not use the Proprietary Marks (including our service marks) as part of your corporate, partnership, or other legal name, or to identify you or your Franchised Business in any other legal activity, or as part of any e-mail address, domain name, or other identification of you or your Franchised Restaurant in any electronic medium, unless agreed to in advance, in writing, by us. As necessary to conduct business and obtain business permits for the operation of your Franchised Restaurant, you may indicate that your Franchised Restaurant will be doing business under the trade name DosBros®, provided that you clearly identify yourself as the independent owner and operator of the Franchised Restaurant and properly identify the legal name under which you (or your business entity) will be acting.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents

We do not have an ownership interest in any patents or copyrights that are material to the operation of your Franchised Restaurant.

Copyrights

We claim copyright protection covering various materials used in our business and the development and operation of DosBros® Restaurants, including the Manual, advertising and promotional materials, and similar materials. We have not registered these materials with the United States Registrar of Copyrights, but we do not have to do so.

There are no currently effective determinations of the United States Copyright Office or any court, nor any pending litigation or other proceedings, regarding any copyrighted materials. No agreement limits our rights to use or allow franchisees to use the copyrighted materials. We do not know of any superior prior rights or infringing uses that could materially affect your use of the copyrighted materials. No agreement requires us to protect or defend our copyrights or to indemnify you for any expenses or damages you incur in any judicial or administrative proceedings involving the copyrighted materials. If we require, you must immediately modify or discontinue using the copyrighted materials. Neither we nor our affiliates will have any obligation to reimburse you for any expenditures you make because of any discontinuance or modification.

All rights, title, and interest in advertising and promotional materials that you develop or prepare (or that are prepared by someone on your behalf) or that bear any Proprietary Marks will belong to us. You must sign any documents we reasonably deem necessary to evidence our right, title, and interest in and to any advertising and promotional materials. We will have the right to use these materials and to provide them to other franchisees and advertising funds and programs of the System, without compensation to you, regardless of how the materials were developed. Additionally, we may require that you sign a license agreement for the use of proprietary materials that we provide to you in an electronic format.

Confidential Information

Except for the purpose of operating under a Franchise Agreement, you may never (during your Agreement's term or later) communicate, disclose, or use for any person's benefit any of the confidential information, knowledge, or know-how concerning the development and operation of the Franchised Restaurant that may be communicated to you or that you may learn by virtue of your operation of a DosBros® Restaurant. You may divulge confidential information only to those of your employees who must have access to it to operate the Franchised Restaurant. Any information, knowledge, know-how, and techniques that we designate as confidential will be deemed "confidential" for purposes of your Agreement. However, this will not include information that you can show came to your attention before we disclosed it to you; or that at any time became a part of the public domain, through publication or communication by others having the right to do so.

In addition, we may require you, your Designated Principal, other owners, managers, and your employees with access to confidential information to sign confidentiality and non-competition agreements. Each of these covenants must provide that the person signing will maintain the confidentiality of information that they receive in their employment or affiliation with you or the Franchised Restaurant. These agreements must be in a form that we find satisfactory, and must include specific identification of us as a third party beneficiary with the independent right to enforce the covenants.

Confidential Manual

To protect our reputation and goodwill and to maintain high standards of operation under our Proprietary Marks, you must conduct your business in accordance with the Manual. We will lend you our Manual for the term of your Franchise Agreement, which you must return to us at the expiration or termination of your Agreement. The Manual may consist of multiple volumes of printed text, computer disks, other electronic stored data, videotapes, and periodic updates or bulletins that we issue to franchisees and others operating under the System. You must treat the Manual, all supplements and revisions to the Manual, including bulletins and the information contained in them, as confidential, and must use best efforts to maintain this information (whether in written or electronic format) as secret and confidential. You must not reproduce these materials without our prior written consent or otherwise make them available to any unauthorized person. The Manual will remain our sole property. You must keep the Manual in a secure place on the Franchised Restaurant premises.

We may revise the contents of the Manual, and you must comply with each new or changed standard. We will notify you in writing of revisions to the Manual. You must ensure that the Manual is kept current at all times. If there is a dispute as to the contents of the Manual, the terms of the master copies that we maintain at our home office will control.

If you, your owners, managers or employees develop any new concept, process, product, recipe or improvement in operating or promoting the Restaurant, you must promptly notify us and give us all necessary information, free of charge. You, your owners, managers or employees must acknowledge that any of these concepts, processes, products, recipes or improvements will become our property and we may give the information to other franchisees.

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

You (or if you are an entity, your Designated Principal) do not need to be involved in the general oversight and management of the operations of the Franchised Restaurant. You must employ a general manager. The "Designated Principal" is an owner of the business, who has the authority to make all decisions in the ordinary course of business. The Designated Principal must live in the market where the Franchised Restaurant is located and must devote time (full-time not required) and best efforts to the Franchised Restaurant. We will have the right to rely upon the general manager to have the responsibility and decision-making authority regarding your business and operations. The Designated Principal, the general manager and kitchen manager, must have completed our initial training program to our satisfaction. Your general manager does not need to have an ownership interest in you.

Under the Franchise Agreement, if you are other than an individual, we may require that your owners personally sign a guaranty (in the form included as Exhibit E to the Franchise Agreement), guarantying the legal entity's obligations under that agreement. Additionally, you or your owners and your employees with access to confidential information or who have received training may be required to sign covenants to maintain confidentiality and not compete with businesses under the System. See Items 14 and 17 for a description of these obligations.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must sell or offer for sale all menu items, food products, merchandise, and other products and services we require, in the manner and style we require. You must sell and offer for sale only the menu items, products and services that we have expressly approved in writing. You must not deviate from our standards and specifications without first obtaining our written consent. You must discontinue selling and offering for sale any menu items, products or services that we may disapprove in writing at any time. We have the right to change the types of menu items, products and services offered by you at the Franchised Restaurant at any time, and there are no limits on our right to make those changes.

You must maintain in sufficient supply and use and sell only the food and beverage items, ingredients, merchandise, other products, materials, supplies, and paper goods that conform to our standards and specifications. You must prepare all menu items according to our recipes and procedures for preparation contained in the Manual or other written instructions, including the measurements of ingredients. You must not deviate from our standards and specifications by the use or offer of nonconforming items or differing amounts of any items, without first obtaining our written consent.

You must keep the Restaurant very clean and maintain it in good repair and condition. You must make any additions, alterations, repairs and replacements, including repainting or replacement of obsolete signs, furnishings, equipment, and décor as we may reasonably direct. You must not make any changes to the premises without obtaining our written consent before you make the changes. You must obtain and pay for any new or additional equipment, including point of sale, computer hardware and software, fixtures, supplies and other products and materials that you must have to offer and sell new menu items from the Franchised Restaurant.

We may designate the minimum and/or maximum prices for the goods, products and services offered from your Restaurant, where permitted by applicable law, and you must comply with our pricing requirements. We make no guarantees or warranties that offering the products or merchandise at the required price will enhance your sales or profits.

We do not impose any other restrictions in the Franchise Agreement or otherwise, as to the goods or services that you may offer or sell or as to the customers to whom you may offer or sell, except as described in Item 12. You may not directly solicit customers outside of your Designated Territory.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise and related agreements pertaining to renewal, termination, transfer and dispute resolution. 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	Section 2.1	10 years.
(b) Renewal or extension of the term	Section 2.2	One renewal term of 10 years.

Provision	Section in Franchise Agreement	Summary
(c) Requirements for franchisee to renew or extend	Section 2.2	You provide us with notice of your intent to renew, pay all monetary obligations, are in compliance with Franchise Agreement, sign general release, sign new Franchise Agreement, pay renewal fee, remodel Restaurant You may be asked to sign a contract with materially different terms and conditions than your original contract, but the boundaries of your territory will remain the same, and the fees on renewal will not be greater than the fees that we then impose on similarly situated renewing franchisees
(d) Termination by franchisee	Not applicable	
(e) Termination by franchisor without cause	Not applicable	
(f) Termination by franchisor with cause	Section 16	We can terminate your Franchise Agreement if you are in breach
(g) "Cause" defined – curable defaults	Sections 16.3 and 16.4	Includes failure to pay money owed, refusal to permit us to inspect your Restaurant or your account books, failure to operate the Restaurant when required, failure to comply with System, including but not limited to, food quality, signage and brand consistency.
(h) "Cause" defined – non-curable defaults	Sections 16.1 and 16.2	Bankruptcy, abandonment, conviction of felony, your or your owners' assets are blocked under an anti-terrorism law, failure to complete pre-opening obligations and open Restaurant when required, danger to health and public safety, you lose right to possess the Approved Location, you maintain false accounts or submit false reports to us, you disclose confidential information, you fail to comply with non-competition covenants, you misuse the Marks, repeated defaults, abandonment of the Restaurant
(i) Franchisee's obligations on termination/ nonrenewal	Section 17	Stop operating the Restaurant, stop using the System, cancel assumed names, assign lease to us (if we request), assign phone numbers and listings to us, stop using Marks and trade dress, pay all amounts owed to us and our affiliates, return Manual and confidential information, comply with non-competition covenants, pay liquidated damages (if applicable)

Provision	Section in Franchise Agreement	Summary
(j) Assignment of contract by franchisor	Section 15.1	There are no limits on our right to assign the Franchise Agreement.
(k) "Transfer" by franchisee - defined	Section 15.2	Includes transfer of any rights and/or obligations under the Franchise Agreement, any material asset of you or the Franchised Restaurant, and shares, membership interests or partnership interests in you
(l) Franchisor approval of transfer by franchisee	Section 15.2	We have the right to approve all transfers
(m) Conditions for franchisor approval of transfer by franchisee	Sections 15.3 and 15.4	You have paid all amounts owed to us and our affiliates, you are not in default of the Franchise Agreement, you sign general release, transferee qualifies, transferee's owners guarantee performance, transferee signs new Franchise Agreement, Restaurant updated and/or remodeled, transferee successfully completes training, transfer fee paid, you comply with non-competition covenants
(n) Franchisor's right of first refusal to acquire franchisee's business	Section 15.6	We can match any offer to purchase your business
(o) Franchisor's option to purchase franchisee's business	Section 17.9	On expiration or termination of the Franchise Agreement, we may purchase all or a portion of the assets of the Franchised Restaurant
(p) Death or disability of franchisee	Sections 15.7 and 15.8	Your estate must transfer your interest in the Franchised Restaurant to a third party we have approved, within a year after death or six months after the onset of disability.
(q) Non-competition covenants during the term of the franchise	Sections 18.2 and 18.5	Includes prohibition on engaging in any other business offering predominantly the same products as offered in a DosBros® Restaurant; and soliciting or diverting customers to other businesses
(r) Non-competition covenants after the franchise is terminated or expires	Sections 18.3 and 18.5	Includes a two year prohibition similar to "q" (above), within the Designated Territory, or within 10 miles of any DosBros® Restaurant under the System
(s) Modification of the agreement	Section 25	Must be in writing signed by both parties.

Provision	Section in Franchise Agreement	Summary
(t) Integration/merger clause	Section 25	Only the final written terms of the Franchise Agreement are binding (subject to state law). Notwithstanding the foregoing, nothing in any agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.
(u) Dispute resolution by arbitration, non-binding mediation or litigation	Section 27.2	Except for certain claims, we and you must arbitrate or litigate all disputes at a location within 5 miles of our then current principal place of business (currently Cleveland, Tennessee)
(v) Choice of forum	Section 27.4	Subject to state law, all arbitrations and litigations must be conducted in the county where we have our headquarters.
(w) Choice of law	Section 27.1	Subject to state law, Tennessee law applies.

THE MULTI-UNIT DEVELOPER RELATIONSHIP

Provision	Section in Multi-Unit Development Agreement	Summary
a. Term of the Multi-Unit Development Agreement	VI	Length of the Development Schedule, which can be as short as five years or as long as 20 years
b. Renewal or extension of the term	V	After all Restaurants have been developed, we will negotiate in good faith another Multi-Unit Development Agreement
c. Requirements for you to renew or extend	V	There are none
d. Termination by you	Not applicable	The Agreement does not provide for this. But you may seek to terminate on any grounds available to you at law
e. Termination by us without cause	II	We have the right to terminate your Multi-Unit Development Agreement and refund your development fee if part of your area overlaps with another Multi-Unit Developer or franchisee, less any debt owed or the payment of any fees for a different territory.

Provision	Section in Multi-Unit Development Agreement	Summary
f. Termination by us with cause	IX	We can terminate if you commit any one of several listed violations, which include failure to meet the development schedule, unauthorized use of the Proprietary Marks, sale of competing products, failure to make required payments, illegal assignments, making of material misrepresentations, failure to obtain approval for a site, any other breach of the agreement or a bankruptcy
g. "Cause" defined – defaults which can be cured	IX	These are listed in this Section
h. "Cause" defined – defaults which cannot be cured	IX	These are also listed in this Section. If we terminate your Multi-Unit Development Agreement for a non-curable default, we may have the right to terminate any franchise agreement(s) you have with us for the same reason, and vice-versa.
i. Your obligations on termination/non-renewal	X	Stop selecting sites, can't open Restaurants
j. Assignment of contract by us	XI	No restriction on our right to assign. However, no assignment will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under the Multi-Unit Development Agreement
k. "Transfer" by you – definition	XI	Includes transfer of any interest in the Multi-Unit Development Agreement
l. Our approval of transfer by you	XI	We have the right to approve all transfers, and our consent not to be unreasonably withheld
m. Conditions for our approval of transfer	XI	Conditions for transfer include not being in default, all debts are paid, the buyer meets our current criteria for new Multi-Unit Developers, execution of a general release (where legal), payment of transfer fee, buyer personally guarantees all obligations
n. Our right of first refusal to acquire your business	XI	We have the right to match the offer
o. Our option to purchase your business	Not applicable	
p. Your death or disability	XI	Interest must be transferred to an approved party within six months

Provision	Section in Multi-Unit Development Agreement	Summary
q. Non-competition covenants during the term of the franchise	XII	Can't divert business or operate a competing business anywhere
r. Non-competition covenants after the franchise is terminated or expires	XII	No competing business for two years and within 10 miles of any Restaurant in the System
s. Modification of the agreement	XVIII	No modifications except by mutual agreement of the parties. Revisions to the Multi-Unit Development Agreement will not unreasonably affect your obligations, including economic requirements under the Multi-Unit Development Agreement
t. Integration/merger clause	XVIII	Only the terms of the Multi-Unit Development Agreement are binding (subject to state law). Notwithstanding the foregoing, nothing in any agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.
u. Dispute resolution by arbitration or mediation	XIX	Except for certain claims, we and you must arbitrate all disputes at a location within 5 miles of our then current principal place of business (currently Cleveland, Tennessee)
v. Choice of forum	XIX	Subject to state law, all arbitrations and litigations must be conducted in the city where we have our headquarters.
w. Choice of law	XVIII	Subject to state law, Tennessee law applies.

ITEM 18
PUBLIC FIGURES

We do not use any public figure to promote our franchises.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

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 Milan Patel at 210 James Asbury Drive NW, Cleveland, Tennessee 37312-2984 and (423) 313-0984, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For years 2020, 2021, 2022

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised [1]	2020	10	11	3
	2021	11	14	3
	2022	14	15	1
Company-Owned [2]	2020	1	1	0
	2021	1	1	0
	2022	1	1	0
Total Outlets	2020	11	12	1
	2021	12	15	3
	2022	15	16	1

1. Franchised Outlets include the DosBros® Restaurants owned and operated by affiliates of BayBros FC LLC under a License Agreement effective in each of the year's as referenced above, as described in the table identified Item 1, and one restaurant which was developed pursuant to an agreement before the beginning of our franchise program.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2020, 2021, 2022

State	Year	Number of Transfers
None	2020	0
	2021	0
	2022	1

State	Year	Number of Transfers
Total	2020	0
	2021	0
	2022	1

Table No. 3
Status of Franchised Outlets
For years 2020, 2021, 2022

	Year	Outlets at Start of Year	Outlets Opened	Termina -tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
	2020	10	1	0	0	0	0	11
	2021	11	3	0	0	0	0	14
	2022	14	3	0	0	0	2	15
Total	2020	10	1	0	0	0	0	11
	2021	11	3	0	0	0	0	14
	2022	14	3	0	0	0	2	15

The outlets reflected in the above chart include the DosBros® Restaurants which are owned and operated by affiliates of BayBros FC LLC. These outlets are operated pursuant to a License Agreement as described in Item 1. The principals of BayBros FC LLC are also partial owners in these affiliates. These Restaurants were developed pursuant to a License Agreement before we began franchising.

Table No. 4
Status of Company-Owned Outlets
For years 2020, 2021, 2022

	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Total	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1

Table No. 5
Projected Openings as of December 31, 2022

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Tennessee	0	1	0
Florida	0	1	0
Georgia	0	1	0
Total	0	3	0

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

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee who had a business terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document are listed on Exhibit F to this Disclosure Document. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

During the last three fiscal years, we have not had any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the DosBros® System.

There are no trademark-specific organizations formed by our franchisees that are associated with the DosBros® System.

ITEM 21
FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit G are our audited financial statements for the fiscal years ended December 31, 2020, 2021 and 2022.

Our fiscal year end is December 31st.

ITEM 22
CONTRACTS

The following agreements are attached in to this Disclosure Document:

Exhibit B – Franchise Agreement
Exhibit C – Multi-Unit Development Agreement
Exhibit I – Form of General Release

ITEM 23
RECEIPTS

Two copies of an acknowledgment of your receipt for this Disclosure Document appear as the last pages of the Disclosure Document. Please date, sign, and return one copy to us and keep the other with this Disclosure Document for your records.

EXHIBIT A TO THE DISCLOSURE DOCUMENT
<u>LIST OF STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS</u>

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws and for service of process. We may not yet be registered to sell franchises in any or all of these states.

If a state is not listed, BayBros FC LLC has not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed below in which BayBros FC LLC has appointed an agent for service of process.

There may also be additional agents appointed in some of the states listed.

<u>CALIFORNIA</u> California Business Oversight Commissioner Department of Business Oversight 320 West 4th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7500 Toll Free (866) 275-2677 1515 K Street, Suite 200 Sacramento, CA 95814 (916) 445-7205 1350 Front Street San Diego, CA 92101 (619) 525-4233 One Sansome Street, Suite 600 San Francisco, CA 94104 (415) 972-8559	**<u>CONNECTICUT</u>** State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230 Agent: Banking Commissioner
<u>HAWAII</u> (state administrator) Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722 (agent for service of process) Commissioner of Securities State of Hawaii 335 Merchant Street Honolulu, Hawaii 96813 (808) 586-2722	**<u>ILLINOIS</u>** Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465 (agent for service of process) Registered Agents Inc. 2501 Chatham Road, Suite R Springfield, IL 62704-0000

INDIANA (state administrator) Indiana Secretary of State Securities Division, E-111 302 Washington Street Indianapolis, Indiana 46204 (317) 232-6681 (agent for service of process) Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, Indiana 46204 (317) 232-6531	**MARYLAND** (state administrator) Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360 (for service of process) Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360
MICHIGAN (state administrator) Consumer Protection Division Antitrust and Franchise Unit Michigan Department of Attorney General 525 W. Ottawa Street, 6th Floor Lansing, Michigan 48933 (517) 373-7117 (for service of process) Corporations Division Bureau of Commercial Services Department of Labor and Economic Growth P.O. Box 30054 Lansing, Michigan 48909	**MINNESOTA** (state administrator) Minnesota Department of Commerce 85 7th Place East, Suite 500 St. Paul, Minnesota 55101-2198 (651) 539-1600 (for service of process) Minnesota Commissioner of Commerce
NEW YORK (Administrator) Office of the New York State Attorney General Investor Protection Bureau, Franchise Section 120 Broadway, 23rd Floor New York, New York 10271-0332 (212) 416-8236 Phone (212) 416-6042 Fax (Agent for service of process) Attention: NY Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, New York 12231-0001 (518) 474-4750	**NORTH DAKOTA** North Dakota Securities Department State Capitol, Fifth Floor, Dept. 414 600 East Boulevard Avenue Bismarck, North Dakota 58505 (701) 328-4712 (for service of process) North Dakota Securities Commissioner

<table>
<tr><td><u>OREGON</u>

Department of Consumer and Business Services
Division of Finance and Corporate Securities
Labor and Industries Building
Salem, Oregon 97310
(503) 378-4387

Agent: Director of the Department of Consumer and Business Services</td><td><u>RHODE ISLAND</u>

Securities Division
Department of Business Regulation,
Bldg 69, First Floor
John O. Pastore Center
1511 Pontiac Avenue
Cranston, Rhode Island 02920
(401) 462-9582</td></tr>
<tr><td><u>SOUTH DAKOTA</u>

Department of Labor & Regulation
Division of Securities
124 S. Euclid Avenue, Suite 104
Pierre, South Dakota 57501
(605) 773-4823</td><td><u>VIRGINIA</u>

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

(for service of process)
Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219
(804) 371-9733</td></tr>
<tr><td><u>WASHINGTON</u>
(state administrator)

Department of Financial Institutions
Securities Division
150 Israel Road S.W.
Turnwater, Washington 985013
(360) 902-8760

(for service of process)
Director, Department of Financial Institutions
Securities Division
150 Israel Road S.W.
Turnwater, Washington 98501</td><td><u>WISCONSIN</u>
(state administrator)

Division of Securities
Department of Financial Institutions
201 W. Washington Ave., 3rd Floor
Madison, Wisconsin 53703
(608) 266-1064

(for service of process)
Administrator, Division of Securities
Department of Financial Institutions
201 W. Washington Ave., 3rd Floor
Madison, Wisconsin 53703</td></tr>
</table>

EXHIBIT B TO THE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

BAYBROS FC LLC

FRANCHISE AGREEMENT

____
FRANCHISEE

____
DATE OF AGREEMENT

TABLE OF CONTENTS

<u>EXHIBITS</u>

D – Authorization Agreement for Prearranged Payments
E – Guarantee, Indemnification and Acknowledgment
F – Confidentiality and Non-Competition Agreement
G – Collateral Assignment of Lease
H – Franchisee Disclosure Acknowledgment Statement
I – Internet Websites and Listings Agreement; Telephone Listing Agreement
J – State-Specific Addenda

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "**Agreement**") is made and entered into on this ______day of _________________, 20___ (the "**Effective Date**"), by and between:

- Baybros FC LLC, a Tennessee limited liability company whose principal place of business is 210 James Asbury Drive NW, Cleveland, Tennessee 37312 ("**we**", "**us**" or "**our**"); and

- _______________________ a [resident of] [corporation organized in] [limited liability company organized in] *[select one]*, having offices at ____ ____ ("**you**" or "**your**").

BACKGROUND:

WHEREAS, we own a format and system (the "**System**") relating to the establishment and operation of quick-service fast casual Tex-Mex restaurants where fresh items are prepared from scratch on a daily basis, including, tacos, burritos, bowls, quesadillas, and salads in a modern casual dining environment which operate at retail locations that display our interior and exterior trade dress and feature and operate under the Proprietary Marks (as defined below) (each a "**DosBros® Restaurant**"). A DosBros® Restaurant operates using our proprietary recipes, formulae and techniques ("**Proprietary Products**"), as well as other non-proprietary food, beverage, and other compatible items designated by us from time to time (collectively, "**Products**"); and

WHEREAS, the distinguishing characteristics of the System include distinctive exterior and interior design, decor, color schemes, fixtures, and furnishings; recipes, standards and specifications for products, equipment, materials, and supplies; uniform standards, specifications, and procedures for operations; purchasing and sourcing procedures; procedures for inventory and management control; training and assistance; and marketing and promotional programs; all of which may be changed, improved, and further developed by us from time to time; and

WHEREAS, the System is identified by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin as are now designated and may hereafter be designated by us in writing for use in connection with the System including the mark "DosBros®," "DosBros Fresh Mexican Grill®" and other marks (the "**Marks**" or "**Proprietary Marks**"); and

WHEREAS, you desire to enter into the business of operating a restaurant as a DosBros® Restaurant under the System and using the Proprietary Marks, and wish to enter into this Agreement with us for that purpose, and to receive the training and other assistance provided by us in connection therewith; and

WHEREAS, you understand and acknowledge the importance of our high standards for quality, cleanliness, appearance, and service and the necessity of operating the business franchised hereunder in conformity with our standards and specifications.

NOW, THEREFORE, the parties agree as follows:

1. GRANT

1.1 Grant and Acceptance

We grant to you the right, and you hereby undertake the obligation, upon the terms and conditions set forth in this Agreement to: (a) establish and operate a DosBros® Restaurant (the "**Franchised Restaurant**"), (b) use, only in connection therewith, the Proprietary Marks and the System, as they may be changed, improved, or further developed from time to time by us; and (c) operate the Franchised Restaurant only at the Approved Location (as defined in Section 1.2 below) in accordance with this Agreement.

1.2 Approved Location

You shall develop and operate the Franchised Restaurant only at the site specified in Exhibit A to this Agreement as the "**Approved Location**". You shall not relocate the Franchised Restaurant without our prior written consent and/or otherwise in writing by us, as provided in Section 8.19 below.

1.3 Limit on Sales

Your rights hereunder shall be limited to offering and selling Products at the Franchised Restaurant, and only to retail customers of the Franchised Restaurant for (a) customer consumption on the premises of the Franchised Restaurant at the Approved Location (the "**Premises**"); and (b) for customer carry-out consumption of Products sold at the Franchised Restaurant. You shall not, without our prior written approval, engage in any other type of sale of, or offer to sell, or distribution of Products, including, but not limited to: selling, distributing or otherwise providing, any Products to third parties at wholesale, or for resale or distribution by any third party; and selling, distributing or otherwise providing any Products through catalogs, mail order, toll free numbers for delivery, or electronic means (e.g., the Internet).

1.4 Designated Territory and Reserved Rights

Except as otherwise provided in this Agreement, during the term of this Agreement, we shall not establish or operate, nor license any other person to establish or operate, a DosBros® Restaurant at any location within the territory specified in Exhibit A (the "**Designated Territory**"). We retain the rights, among others, on any terms and conditions we deem advisable, and without granting you any rights therein:

1.4.1 To own, acquire, establish, and/or operate, and license others to establish and operate, DosBros® Restaurants under the System at any location outside the Designated Territory notwithstanding their proximity to the Designated Territory or the Approved Location or their actual or threatened impact on sales of the Franchised Restaurant;

1.4.2 To own, acquire, establish and/or operate, and license others to establish and operate, non-restaurant businesses under the Proprietary Marks, at any location within or outside the Designated Territory.

1.4.3 To own, acquire, establish and/or operate, and license others to establish and operate, businesses under proprietary marks other than the Proprietary Marks, whether such businesses are similar or different from the Franchised Restaurant, at any location within or outside the Designated Territory notwithstanding their proximity to the Designated Territory or the Approved Location or their actual or threatened impact on sales of the Franchised Restaurant;

1.4.4 To own, acquire, establish, and/or operate, and license others to establish and operate, DosBros® Restaurants under the Proprietary Marks at Non-Traditional Sites (as defined below) at any location within or outside the Designated Territory and regardless of proximity to the Franchised

Restaurant. As used in this Agreement, "**Non-Traditional Sites**" shall mean outlets that serve primarily the customers located within the facility, such as captive audience facilities (examples include, but are not limited to, parks charging admission, stadiums, amusement parks and centers, theaters and art centers), limited purpose facilities (examples include, but are not limited to, airports, transportation centers, department stores, malls, indoor shopping centers, business and industrial complexes, museums, educational facilities, hospitals, art centers, and recreational parks), limited access facilities (examples include, but are not limited to, military complexes, buyer club businesses, educational facilities, business and industrial complexes), and other types of institutional accounts.

1.4.5 To sell and to distribute, directly or indirectly, or to license others to sell and to distribute, directly or indirectly, any products (including the Products) through grocery stores, convenience stores or "club" stores (such as Costco or Sam's Club), through outlets that are primarily retail in nature, or through mail order, toll free numbers, or the Internet, including those products bearing the Proprietary Marks provided that distribution within the Designated Territory shall not be from a DosBros® Restaurant established under the System that is operated from within the Designated Territory (except from a DosBros® Restaurant at a Non-Traditional Site);

1.4.6 To be acquired (regardless of the form of transaction) by a business identical or similar to DosBros® Restaurants, even if the other business operates, franchises and/or licenses competitive businesses within the Designated Territory; and

14.4.7 To engage in any other business activities not expressly prohibited by this Agreement, both within and outside the Designated Territory.

2. TERM AND RENEWAL

2.1 Initial Term

This Agreement shall be in effect upon its acceptance and execution by us and, except as otherwise provided herein, this Agreement shall expire ten (10) years from the Effective Date.

2.2 Renewal

You may apply to operate the Franchised Restaurant for one (1) additional consecutive term of ten (10) years each if the following conditions are met prior to each renewal:

2.2.1 You shall give us written notice of your election to renew at least six (6) months, but not more than twelve (12) months, prior to the end of the term of this Agreement;

2.2.2 You shall not have any past due monetary obligations or other outstanding obligations to us and our affiliates, the approved suppliers of the System, or the lessor of the Premises;

2.2.3 You shall not be in default of any provision of this Agreement, or successor hereto, or any other agreement between you and us or our affiliates, the approved suppliers of the System, or the lessor of the Premises; and you shall have substantially complied with all the terms and conditions of such agreements during the terms thereof;

2.2.4 You and we shall execute a mutual general release, in a form prescribed by us, of any and all claims against us and our affiliates, and our respective officers, directors, agents, and employees;

2.2.5 You shall execute the then-current form of franchise agreement offered by us, which shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement including requirements to pay additional and/or higher fees, except that you shall not be required to pay any initial franchise fee;

2.2.6 You shall comply with our then-current qualification and training requirements;

2.2.7 You shall make or provide for, in a manner satisfactory to us, such renovation and modernization of the Premises as we may reasonably require, including installation of new equipment and renovation of signs, furnishings, fixtures, and decor to reflect the then-current standards and image of the System;

2.2.8 You shall present evidence satisfactory to us that you have the right to remain in possession of the Premises (or such other location acceptable to us) for the duration of the renewal term;

2.2.9 You, at the time of renewal, satisfy our standards of financial responsibility and, if requested by us, you demonstrate to us that you have sufficient financial resources and means to continue to operate the Franchised Restaurant during the renewal term; and

2.2.10 You pay to us a renewal fee equal to Five Thousand Dollars ($5,000).

3. OUR DUTIES

3.1 Prototype Plans

We shall make available, at no charge to you, prototype design plans and specifications for the construction of a DosBros® Restaurant and for the exterior and interior design and layout, fixtures, furnishings, equipment, and signs. You acknowledge that such standard design plans and specifications shall not contain the requirements of any federal, state or local law, code or regulation (including without limitation those concerning the Americans with Disabilities Act (the "**ADA**") or similar rules governing public accommodations or commercial facilities for persons with disabilities), nor shall such plans contain the requirements of, or be used for, construction drawings or other documentation necessary to obtain permits or authorization to build a specific DosBros® Restaurant, compliance with all of which shall be your responsibility and at your expense. You understand and acknowledge that we have the right to modify the prototype design plans and specifications, and develop additional prototype design plans and specifications, as we deem appropriate from time to time (however we will not modify the prototype plans and specifications for the Franchised Restaurant developed pursuant to this Agreement once those prototype architectural plans and specifications have been given to you). You shall adapt the standard plans to the Franchised Restaurant's location, as provided in Section 5.3 hereof, subject to our approval.

3.2 Initial Training

To educate, familiarize and acquaint you and your staff with the System and the operations of a DosBros® Restaurant, we will provide an initial training program which three (3) trainees must successfully complete. We shall provide our initial training program for three (3) trainees ("**Initial Training**"), including your Principal, General Manager and Kitchen Manager, as described in Section 6 of this Agreement. We shall also provide such ongoing training as we may, from time to time, deem appropriate.

3.3 Opening Assistance

For the opening of the Restaurant, we will provide you with one (1) trained representative to provide on-site pre-opening/opening supervision and assistance over a two (2) week period as detailed in our operations manual. This trained representative may include a manager, server and/or kitchen staff as we decide. We have the right to require that the opening representative(s) remain on-site for a longer period if we deem it necessary, at your expense. You agree to pay to us the per diem fee then being charged to franchisees generally for opening assistance, including payments of any expenses incurred by the opening representative(s), such as costs of travel, lodging, meals and wages. We will not be responsible for training or offering guidance with respect to compliance with any laws, ordinance or other legal matters. We will determine, in our best judgment, the total amount of time our representative(s) will spend at your Franchised Restaurant providing this assistance.

3.4 Loan of Manual

We shall provide you, on loan, a copy of our confidential operations Manual and other manuals, instructional materials, and written policies and correspondence (collectively, the "**Manual**"), as more fully described in Section 10 hereof.

3.5 Advertising Programs and Materials

We shall review and shall have the right to approve or disapprove all advertising and promotional materials that you propose to use, pursuant to Section 13 below.

3.6 Grand Opening Advertising

We shall assist you in developing and conducting the Grand Opening Advertising Program (as described in Section 13.2 below), which program shall be conducted at your expense. Prior to opening, you shall be required to supply us with documentary evidence of all expenditures towards the Grand Opening Advertising Program. Such expenditures must meet or exceed the minimum requirements as determined by us.

3.7 Guidance

We may provide periodic advice or offer guidance to you in the marketing, management, and operation of the Franchised Restaurant as we determine at the time(s) and in the manner determined by us.

3.8 Inspections

We or our designees or agents shall visit and inspect, from time to time, your Franchised Restaurant and evaluate the proper execution of the System, and confer with you and your employees in connection therewith in order to assist in the proper business operation of your Franchised Restaurant. We or our designees or agents shall have the absolute right to make inspections at such times and frequencies, during normal business hours, as we may determine. You will cooperate with our representatives in such inspections, render such assistance to them as they may reasonably request and immediately correct any failure to comply with the System and this Agreement as brought to your attention by such representative.

3.9 List of Suppliers

We shall, in the Manual (or otherwise in writing as determined by us), provide you with a list of suppliers designated and/or approved by us to supply Products, equipment, signage, materials and services to franchisees in the System. You acknowledge that the designation of certain suppliers by us is to ensure uniformity of the System, and you shall not purchase any unapproved product or purchase from any unapproved supplier, without our advance written consent, which we may withhold in our discretion.

3.10 Pricing

We reserve the right to set the minimum and/or maximum prices that you may charge for the products available at the Franchised Restaurant, as permitted by applicable law, and you shall comply with our pricing policies. If you sell any or all products or merchandise at any price recommended or required by us, you acknowledge that we have made no guarantee or warranty that offering such products or merchandise at the recommended or required price will enhance your sales or profits.

3.11 Delegation

You acknowledge and agree that any duty or obligation imposed on us by this Agreement may be performed by any distributor, designee, employee, or agent of ours, as we may direct.

3.12 Fulfillment of Obligations

In fulfilling our obligations pursuant to this Agreement, and in conducting any activities or exercising any rights pursuant to this Agreement, we (and our affiliates) shall have the right: (i) to take into account, as we see fit, the effect on, and the interests of, other franchised businesses and systems and in which we have an interest and on our (and our affiliates') own activities; (ii) to share market and product research, and other proprietary and non-proprietary business information, with other franchised businesses and systems in which we (or our affiliates) have an interest, or with our affiliates; (iii) to introduce proprietary and non-proprietary items or operational equipment used by the System into other franchised systems in which we have an interest; and/or (iv) to allocate resources and new developments between and among systems, and/or our affiliates, as we see fit. You understand and agree that all of our obligations under this Agreement are subject to this Section 3.12, and that nothing in this Section 3.12 shall in any way affect your obligations under this Agreement.

4. FEES

4.1 Franchise Fee

You shall pay to us an initial franchise fee ("**Franchise Fee**") of Thirty Five Thousand Dollars ($35,000) which shall be paid upon the execution of this Agreement. The Franchise Fee when so paid shall be deemed fully earned by us.

4.2 Non-Refundability

Payment of the Franchise Fee shall be non-refundable in consideration of administrative and other expenses incurred by us in granting this franchise and for our lost or deferred opportunity to franchise others.

4.3 Royalty Fees

For each week during the term of this Agreement, you shall (a) pay us a continuing royalty fee of an amount equal to five percent (5%) of the Gross Sales of the Franchised Restaurant ("**Royalty Fees**"); and (b) report to us, in the manner specified by us, your Gross Sales (a "**Sales Report**"). As used in this Agreement, the following terms shall apply:

4.3.1 The term "**Gross Sales**" means all revenue from the sale of all Products and all other income of every kind and nature related to, derived from, or originating from the Franchised Restaurant, whether at retail or wholesale (whether such sales are permitted or not), whether for cash, check, or credit, and regardless of collection in the case of check or credit; provided, however, that "Gross Sales" excludes any customer refunds, coupon sales, sales taxes, and/or other taxes collected from customers by you and actually transmitted to the appropriate taxing authorities.

4.3.2 If a state or local law in which the Franchised Restaurant is located prohibits or restricts in any way your ability to pay and our ability to collect Royalty Fees or other amounts based on Gross Sales derived from the sale of alcoholic beverages at the Franchised Restaurant then we and you shall increase the percentage rate for calculating Royalty Fees, and change the definition of Gross Sales to exclude sales of alcoholic beverages, in a manner such that the Royalty Fees to be paid by you, and received by us, shall be equal to such amounts as you would have been required to pay, and we would have received, if sales from alcoholic beverages were included in Gross Sales.

4.3.3 If any state imposes a sales or other tax on the Royalty Fees, then we have the right to collect this tax from you.

4.4 Advertising Fees

In addition to the Royalty Fees described in Section 4.3 above, you agree to pay to us an advertising fee ("**Advertising Fee**") in an amount equal to one percent (1%) of Gross Sales. Such amount shall be contributed to a National Advertising Fund maintained by us, as described in Section 13.6 below. We reserve the right to use the Fund for various purposes, including, but not limited to the creation, development and production of advertising and promotional materials (*i.e.*, print ads, radio, film and television commercials, videotapes, direct mail pieces, and other print advertising) or any marketing or related research and development. If the Fund has not yet been established when this Agreement is executed by you and us, then you shall begin paying this advertising fee upon thirty (30) days' advance notice from us that the Fund has been established. The Advertising Fee is payable to us at the same time and in the same manner as the Royalty Fees.

4.5 When Payments Due

All payments required by Sections 4.3 and 4.4 above based on the Gross Sales for the preceding week, and the Sales Report for the Gross Sales for the preceding week, shall be paid and submitted so as to be received by us by the Friday. If the Friday is not a business day, then payment shall be due on the preceding business day. You shall deliver to us any and all reports, statements and/or other information required under Section 12.2 below, at the time and in the format reasonably requested by us. You shall establish an arrangement for electronic funds transfer or deposit of any payments required under this Section. You shall execute our current form of "Authorization Agreement for Prearranged Payments (Direct Debits)," a copy of which is attached to this Agreement as Exhibit D, and you shall comply with the payment and reporting procedures specified by us in the Manual. You expressly acknowledge and agree that your obligations for the full and timely payment of Royalty Fees and Advertising Fees (and all other amounts provided for in this Agreement) shall be absolute, unconditional, fully earned, and due upon your generation and receipt of Gross Sales. You shall not for any reason delay or withhold the payment of all or any part of those or any other payments due hereunder, put the same in escrow or set-off same against any claims or alleged claims you may allege against us or others. You shall not, on grounds of any alleged non-performance by us or others, withhold payment of any fee, including without limitation Royalty Fees or Advertising Fees, nor withhold or delay submission of any reports due hereunder including but not limited to Sales Reports.

4.6 Additional Payments

You shall pay to us, within fifteen (15) days of any written request by us which is accompanied by reasonable substantiating material, any monies which we have paid, or have become obligated to pay, on your behalf, by consent or otherwise under this Agreement.

4.7 Late Fee

If Royalty Fee and Advertising Fee payments are not received by us on or by the fifth (5^{th}) day following the due date, the Royalty Fee and Advertising Fee payments shall be considered overdue. If you pay the Royalty Fee and Advertising Fee after the fifth (5^{th}) day of the due date, you shall also pay to us a late fee in an amount equal to five (5%) of the overdue amount.

4.8 Interest on Overdue Payments

Any payment that is not actually received by us on or before its due date shall be deemed overdue. If any payment is overdue, you shall pay us immediately upon demand, in addition to the overdue amount and late fee described in Section 4.7, interest on the overdue amount from the date it was due until paid at the rate of eighteen percent (18%) per annum or the maximum rate permitted by law, whichever is less. Entitlement to such interest shall be in addition to any other remedies we may have. You acknowledge that this Section, together with Section 4.7, shall not constitute our agreement to accept such payments after same are due or a commitment by us to extend credit to or otherwise finance your operation of the Restaurant. You acknowledge that failure to pay all such amounts when due shall constitute grounds for termination of this Agreement as provided herein, notwithstanding the provisions of this Section or Section 4.7.

4.9 No Subordination

You shall not subordinate to any other obligation your obligation to pay us the Royalty Fees, Advertising Fees and/or any other fee or charge payable to us, whether under this Agreement or otherwise.

5. SITE SELECTION, CONSTRUCTION AND OPENING OF BUSINESS

5.1 Identifying and Securing Sites

You shall, within ninety (90) days from the date this Agreement is executed, be solely responsible for identifying, submitting for our approval, and securing a site for your Franchised Restaurant. The following terms and conditions shall apply to your Franchised Restaurant:

5.1.1 You shall submit to us, in a form specified by us, a completed site approval package, which shall include a site approval form prescribed by us, an option contract, letter of intent, or other evidence satisfactory to us which describes your favorable prospects for obtaining such site, photographs of the site, demographic statistics, and such other information or materials as we may reasonably require (collectively, the "**Site Approval Package**"). We shall have thirty (30) days after receipt of the Site Approval Package from you to approve or disapprove, in our sole discretion, the proposed site for the Franchised Restaurant. In the event we do not approve a proposed site by written notice to you within said thirty (30) days, such site shall be deemed disapproved by us. No site shall be deemed approved unless it has been expressly approved in writing by us.

5.1.2 Following our approval of a proposed site, you shall use your best efforts to secure such site, either through a lease/sublease that is acceptable to us, as provided in Section 5.2 below, or a binding purchase agreement, and shall do so within sixty (60) days of approval of the site by us. You shall immediately notify us of the execution of the approved lease or binding purchase agreement. The site approved and secured pursuant to this Agreement shall be specified as the Approved Location.

5.1.3 You hereby acknowledge and agree that our approval of a site does not constitute an assurance, representation, or warranty of any kind, express or implied, as to the suitability of the site for the Franchised Restaurant or for any other purpose. Our approval of the site indicates only that we believe the site complies with acceptable minimum criteria established by us solely for our purposes as of the time of the evaluation. Both you and we acknowledge that application of criteria that have been effective with respect to other sites and premises may not be predictive of potential for all sites and that, subsequent to our approval of a site, demographic and/or economic factors, such as competition from other similar businesses, included in or excluded from criteria used by us could change, thereby altering the potential of a site. Such factors are unpredictable and are beyond our control. We shall not be responsible for the failure of a site approved by us to meet your expectations as to revenue or operational criteria.

5.1.4 If you are unable to secure a site within ninety (90) days after you execute this Agreement, we may grant you an extension of this timeframe or we may terminate this Agreement.

5.2 Lease; Collateral Assignment of Lease

If you will occupy the premises from which the Franchised Restaurant will be operated under a lease or sublease, you shall, prior to execution of such lease, submit the lease to us for our review and approval; provided, however, if pre-submission to us is not possible, then you may sign the lease only on the condition, agreed to in writing by the lessor, that the lease shall become null and void if we do not approve such lease. At our request, you and your landlord shall execute our then-current form of Collateral Assignment of Lease, which is included in Exhibit G to this Agreement.

5.3 Preparing a Location

Before commencing any construction of the Franchised Restaurant, you, at your expense, shall comply, to our satisfaction, with all of the following requirements:

5.3.1 You shall employ a qualified, licensed architect or engineer who has been approved or designated (as described below) by us to prepare, subject to our approval, preliminary plans and specifications for site improvement and/or construction of the Franchised Restaurant based upon prototype plans and/or specifications furnished by us, as described in Section 3.1 above. We shall have the right to designate one or more suppliers of design services and/or architecture services to supply such services to the System. If we designate a design firm and/or architecture firm prior to the time you commence to develop the Franchised Restaurant, you shall employ such designated supplier(s) to prepare all designs and plans for the Franchised Restaurant, unless you obtain our prior written approval to use an alternative professional. If we have not designated a design firm or architecture firm, you shall be responsible for locating and employing a qualified design consultant and architect who is/are licensed in the jurisdiction in which the Franchised Restaurant will be located, and who is reputable and experienced in providing design and architecture services. You shall be solely responsible for payments for all design and architecture services. You acknowledge and agree that we shall not be liable for the unsatisfactory performance of any contractor retained by you.

5.3.2 You shall comply with all federal, state and local laws, codes and regulations, including the applicable provisions of the ADA regarding the construction, design and operation of the Franchised Restaurant. In the event you receive any complaint, claim, other notice alleging a failure to comply with the ADA, you shall provide us with a copy of such notice within five (5) days after receipt thereof.

5.3.3 You shall be responsible for obtaining all zoning classifications and clearances that may be required by state or local laws, ordinances, or regulations or that may be necessary or advisable owing to any restrictive covenants relating to the Approved Location. After having obtained such approvals and clearances, you shall submit to us, for our approval, final plans for construction based upon the preliminary plans and specifications. Our review and approval of plans shall be limited to review of such plans to assess compliance with our design standards for DosBros® Restaurants, including such items as trade dress, presentation of Proprietary Marks, and the providing to the potential customer of certain products and services that are central to the functioning of DosBros® Restaurants. Such review is not designed to assess compliance with federal, state or local laws and regulations, including the ADA, as compliance with such laws is your sole responsibility. Once approved by us, such final plans shall not thereafter be changed or modified without our prior written permission. Any such change made without our prior written permission shall constitute a default and we may withhold our authorization to open the Franchised Restaurant until the unauthorized change is rectified (or reversed) to our reasonable satisfaction. Prior to opening the Franchised Restaurant and prior to renovating the Franchised Restaurant after its initial opening, you shall execute an ADA Certification in the form attached to this Agreement as Exhibit B that certifies in writing to us that the Franchised Restaurant and any proposed renovations comply with the ADA.

5.3.4 You shall obtain all permits and certifications required for the lawful construction and operation of the Franchised Restaurant and shall certify in writing to us that all such permits and certifications have been obtained.

5.3.5 You shall employ a qualified licensed general contractor who is acceptable to us to construct the Franchised Restaurant and to complete all improvements. You shall obtain and maintain in force during the entire period of construction the insurance required under Section 14 below.

5.3.6 Throughout the construction process, you shall comply with our requirements and procedures for periodic inspections of the Premises, and shall fully cooperate with our representatives in such inspections by rendering such assistance as they may reasonably request.

5.4 Opening Date

Unless delayed by the occurrence of events constituting "force majeure" as defined in Section 5.5 below, you shall construct, furnish, and open the Franchised Restaurant in accordance with this Agreement and shall open the Franchised Restaurant the earlier of nine (9) months following the execution of this Agreement or six (6) months after the Approved Location is identified. Time is of the essence. You shall provide us with written notice of your specific intended opening date and your request for our approval to open on such date, by no later than thirty (30) days prior to such intended opening date. Additionally, you shall comply with all other of our pre-opening requirements, conditions and procedures (including, without limitation, those regarding pre-opening scheduling and communications) as set forth in this Agreement, the Manual, and/or elsewhere in writing by us, and shall obtain our written approval prior to opening the Franchised Restaurant. If you are unable to open the Franchised Restaurant within nine (9) months after the Effective Date, we may provide you with an extension of this timeframe or we may terminate this Agreement.

5.5 Force Majeure

As used in this Agreement, "**force majeure**" means an act of God, war, civil disturbance, act of terrorism, government action, fire, flood, accident, hurricane, earthquake, or other calamity, strike or other labor dispute, or any other cause beyond your reasonable control; provided, however, force majeure shall not include your lack of adequate financing.

6. TRAINING

6.1 Initial Training and Attendees

Before opening the Franchised Restaurant, you shall have satisfied all initial training obligations required by us, including the following:

6.1.1 You shall have three (3) trainees, including your Designated Principal, general manager and kitchen manager for the Restaurant, attend and successfully complete, to our satisfaction, the Training Program offered by us at a location designated by us. The duration of the Training Program will be approximately nine (9) weeks. We shall bear the costs for providing the Training Program, and you shall bear the costs of your trainees in attending such Training Program, including, but not limited to, travel, lodging, meals and wages. If any required attendee does not satisfactorily complete the Training Program, we may require that a replacement person attend and successfully complete, to our satisfaction, the Training Program. If you are required to send a replacement trainee to our Training Program, you shall bear the costs of such Training Program, including our then-current fee and the trainee's expenses, such as travel, lodging, meals and wages.

6.1.2 If you are other than an individual, we may require (in addition to the training of your managers as described above) that any or all owners of beneficial interests in you (each a "**Principal**"), who are individuals and own at least a ten percent (10%) beneficial interest in you, attend and successfully complete, to our satisfaction, such portions of the Training Program as determined by us to be appropriate for Principals not involved in the day-to-day operations of the Franchised Restaurant.

6.1.3 You must satisfy all pre-opening training requirements under this Section 6.1 by no later than four (4) weeks prior to the schedule opening of the Franchised Restaurant.

6.1.4 We reserve the right to require that certain of your personnel be certified by us in their respective job duties.

6.1.5 If you wish to send additional people to the Training Program, and we agree to this, you shall do so at your sole expense, including payment of our then-current fee and the trainee's expenses, such as travel, lodging, meals and wages.

6.2 New or Replacement Managers

In the event that your General Manager or Kitchen Manager ceases active employment in the Franchised Restaurant, you shall enroll a qualified replacement who is reasonably acceptable to us in our Training Program reasonably promptly following cessation of employment of said individual, provided that you may train replacement Managers in accordance with Section 6.3 below. The replacement Managers shall complete the Training Program as soon as is practicable and in no event later than any time periods as we may specify from time to time in the Manual and otherwise in writing. We reserve the right to review any personnel trained by you and require that such persons attend and complete, to our satisfaction, the Training Program offered by us at a location designated by us, at your sole expense.

6.3 Training by You of Additional or Replacement Managers

You shall have the option of training any Manager (following the training of the first manager by us) at the Franchised Restaurant or other DosBros® Restaurants operated by you or your affiliates, provided that: (a) the training is conducted by the Designated Principal (as defined in Section 8 below) or other personnel who have completed our Training Program to our satisfaction (and who remains acceptable to us to provide such training); (b) the training is conducted in accordance with any requirements or standards as we may from time to time establish in writing for such training; and (c) you are in compliance with all agreements between you and us. We reserve the right to require pay to pay our then-current charges for such training.

6.4 Refresher Training

We may also require that you or your Manager(s) attend such refresher courses, seminars, and other training programs as we may reasonably require from time to time. If these refresher and additional training programs are conducted at our headquarters or at our affiliate-owned DosBros® Restaurants, we will bear the costs associated with providing these training programs. However, if you request that we provide any of this training at your Restaurant, and we do so, you shall pay our then-current per diem training fee, as set forth in the Manual or otherwise in writing, for the additional training provided, and you shall reimburse us for all out of pocket costs and expenses associated with the additional training, including lodging, food and travel arrangement of the trainers.

6.5 Additional Training or Assistance

Upon your reasonable request, we shall, during the term hereof and subject to the availability of personnel, provide you with additional trained representatives who shall provide on-site remedial training and assistance to your Restaurant personnel. For this additional training and assistance, you shall pay the per diem fee then being charged to franchisees under the System for the services of such trained representatives, plus their costs of travel, lodging, and meals. If we determine that additional training is necessary for your personnel, we will waive the per diem fee but you shall pay for our trainers' expenses.

6.6 Training Costs

The cost of all training (instruction and required materials) shall be borne by us, except as otherwise provided in this Section 6. All other expenses incurred in connection with training, including without limitation the costs of transportation, lodging, meals, wages, and worker's compensation insurance, shall be borne by you.

6.7 Location of Training

All training programs shall be at such times as may be designated by us. Training programs shall be provided at our headquarters and/or such other locations as we may designate.

6.8 Franchisee Meetings

We may choose to hold an annual meeting of our franchisees to provide additional training, introduce new products or changes to the System, or for other reasons. We may designate that attendance at an annual meeting is mandatory for you, your General Manager and/or other Restaurant personnel. We do not anticipate charging a fee for the meeting, but you will pay for all of the expenses incurred by your attendees at the meeting, including travel, lodging, meals and wages. We will designate the location of any franchisee meeting, such as a resort hotel, but we will not designate an unreasonably expensive site.

7. TECHNOLOGY

7.1 Computer Systems and Required Software

The following terms and conditions shall apply with respect to the Computer System and Required Software:

7.1.1 We shall have the right to specify or require that certain brands, types, makes, and/or models of communications, computer systems, and hardware to be used by, between, or among DosBros® Restaurants, including without limitation: (a) back office and point of sale systems, data, audio, video, and voice storage, retrieval, and transmission systems for use at DosBros® Restaurants, between or among DosBros® Restaurants, and between and among the Franchised Restaurant and us and/or you; (b) Point of Sale Systems; (c) physical, electronic, and other security systems; (d) printers and other peripheral devices; (e) archival back-up systems; and (f) internet access mode and speed (collectively, the "**Computer System**").

7.1.2 We shall have the right, but not the obligation, to develop or have developed for us, or to designate: (a) computer software programs and accounting system software that you must use in connection with the Computer System ("**Required Software**"), which you shall install; (b) updates, supplements, modifications, or enhancements to the Required Software, which you shall install; (c) the tangible media upon which you shall record data; and (d) the database file structure of your Computer System.

7.1.3 You shall record all sales on computer-based point of sale systems approved by us or on such other types of point of sale systems as may be designated by us in the Manual or otherwise in writing ("**Point of Sale Systems**"), which shall be deemed part of your Computer System.

7.1.4 You shall make, from time to time, such upgrades and other changes to the Computer System and Required Software as we may request in writing (collectively, "**Computer Upgrades**").

7.1.5 You shall comply with all specifications issued by us with respect to the Computer System and the Required Software, and with respect to Computer Upgrades. You shall also afford us unimpeded access to your Computer System and Required Software as we may request, in the manner, form, and at the times requested by us.

7.2 Data

We may, from time to time, specify in the Manual or otherwise in writing the information that you shall collect and maintain on the Computer System installed at the Franchised Restaurant, and you shall provide to us such reports as we may reasonably request from the data so collected and maintained. All data pertaining to the Franchised Restaurant, and all data created or collected by you in connection with the System, or in connection with your operation of the Franchised Restaurant (including without limitation data pertaining to or otherwise concerning the Franchised Restaurant's customers) or otherwise provided by you (including, without limitation, data uploaded to, or downloaded from your Computer System) is and will be owned exclusively by us, and we will have the right to use such data in any manner that we deem appropriate without compensation to you. Copies and/or originals of such data must be provided to us upon our request. We hereby license the use of such data back to you for the term of this Agreement, at no additional cost, solely for your use in connection with the Franchised Restaurant under this Agreement.

7.3 Privacy

You shall abide by all applicable laws pertaining to privacy of information collected or maintained regarding customers or other individuals ("**Privacy**"), and shall comply with our standards and policies pertaining to Privacy. If there is a conflict between our standards and policies pertaining to Privacy and applicable law, you shall: (a) comply with the requirements of applicable law; (b) immediately give us written notice of said conflict; and (c) promptly and fully cooperate with us and our counsel as we may request to assist us in our determination regarding the most effective way, if any, to meet our standards and policies pertaining to Privacy within the bounds of applicable law.

7.4 Telecommunications

You shall comply with our requirements (as set forth in the Manual or otherwise in writing) with respect to establishing and maintaining telecommunications connections between your Computer System and our Extranet (as defined below), if any, and/or such other computer systems as we may reasonably require.

7.5 Extranet

We may establish a website providing private and secure communications between us, you, franchisees, licensees and other persons and entities as determined by us, in our sole discretion (an "**Extranet**"). You shall comply with our requirements (as set forth in the Manual or otherwise in writing) with respect to connecting to the Extranet, and utilizing the Extranet in connection with the operation of the Franchised Restaurant. The Extranet may include, without limitation, the Manual, training and assistance materials, and management reporting solutions (both upstream and downstream, as we may direct). You shall purchase and maintain such computer software and hardware as may be required to connect to and utilize the Extranet.

7.6 Websites

We alone may establish, maintain, modify or discontinue all internet, worldwide web and electronic commerce activities pertaining to the System. We may establish one or more websites accessible through one or more uniform resource locators ("URLs") and, if we do, we may design and provide for the benefit of your Restaurant a "click through" subpage at our website for the promotion of your Restaurant. If we establish one or more websites or other modes of electronic commerce and if we provide a "click through" subpage at the website(s) for the promotion of your Restaurant, you must routinely provide us with updated copy, photographs and news stories about your Restaurant suitable for posting on your "click through" subpage. We reserve the right to specify the content, frequency and procedure you must follow for updating your "click through" subpage.

Any websites or other modes of electric commerce that we establish or maintain may – in addition to advertising and promoting the products, programs or services available at DosBros® Restaurants – also be devoted in part to offering DosBros® franchises for sale and be used by us to exploit the electronic commerce rights which we alone reserve.

In addition to these activities, we may also establish an intranet through which downloads of operations and marketing materials, exchanges of franchisee e-mail, System discussion forums and System-wide communications (among other activities) can be done. You may not maintain your own website; otherwise maintain a presence or advertise on the internet or any other mode of electronic commerce in connection with your Restaurant; establish a link to any website we establish at or from any other website or page; or at any time establish any other website, electronic commerce presence or URL which in whole or in part incorporates the "DosBros®" name or any name confusingly similar to the Proprietary Marks.

You are not permitted to promote your Restaurant or use any of the Proprietary Marks in any manner on any social or networking websites, such as Facebook, FourSquare, Instagram, LinkedIn or Twitter, without our prior written consent. We will control all social media initiatives, unless otherwise agreed in writing by us. You must comply with our System standards regarding the use of social media in your Restaurant's operation, including prohibitions on your and the Restaurant's employees posting or blogging comments about the Restaurant or the System, other than on a website established or authorized by us ("social media" includes personal blogs, common social networks like Facebook, FourSquare, Instagram, professional networks like LinkedIn, live-blogging tools like Twitter, virtual worlds, file, audio and video-sharing sites, and other similar social networking or media sites or tools). We will provide access to branded social media pages/handles/assets, and you must update these regularly. We reserve the right to conduct collective/national campaigns via local social media on your behalf.

We alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any website we establish and maintain, including any and all material you may furnish to us for your "click through" subpage.

7.7 Online Use of Marks

You shall not use the Proprietary Marks or any abbreviation or other name associated with us and/or the System as part of any e-mail address, domain name, and/or other identification of you in any electronic medium. You agree not to transmit or cause any other party to transmit advertisements or solicitations by e-mail or other electronic media without our prior written consent as to your plan for transmitting such advertisements.

7.8 No Outsourcing without Prior Written Approval

You shall not hire third party or outside vendors to perform any services or obligations in connection with the Computer System, Required Software, or any other of your obligations without our prior written approval therefor. Our consideration of any proposed outsourcing vendor(s) may be conditioned upon, among other things, such third party or outside vendor's entry into a confidentiality agreement with us and you in a form that is reasonably provided by us.

7.9 Changes to Technology

You and we acknowledge and agree that changes to technology are dynamic and not predictable within the term of this Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, you agree that we shall have the right to establish, in writing, reasonable new standards for the implementation of technology in the System; and you agree that you shall abide by those reasonable new standards established by us as if this Section 7 were periodically revised by us for that purpose.

8. YOUR OTHER DUTIES

8.1 Details of Operation

You understand and acknowledge that every detail of the System and this Agreement is important to you, us, and other franchisees in order to develop and maintain high operating, quality and service standards, to increase the demand for the Products sold by all DosBros® Restaurants, to protect DosBros® Restaurants operating under the System, and to protect our reputation and goodwill.

8.2 Compliance with the Agreement, including the Manual

You shall operate the Franchised Restaurant in strict conformity with this Agreement and such standards and specifications as we may from time to time prescribe in the Manual or otherwise in writing, and shall refrain from deviating from such standards, specifications, and procedures without our prior written consent.

8.3 Management of Business

If you are other than an individual, prior to beginning training, you shall comply with the following:

8.3.1 You shall designate, subject to our reasonable approval, an individual who shall be responsible for the general oversight and management of the operations of the Franchised Restaurant on your behalf. Said individual may be a Principal who is both an individual person who owns a beneficial interest in you (the "**Designated Principal**"), or may be an employee who has been employed to act as the Franchised Restaurant's General Manager, who does not need to have an ownership interest in you. The individual designated by you pursuant to this Section 8.3.1 may be referred to in this Agreement collectively as the "General Manager." In the event the person designated as the General Manager dies, becomes incapacitated, otherwise ceases to supervise the operations of the Franchised Restaurant, or transfers his/her ownership interest in you (if the General Manager is also the Designated Principal), you shall promptly designate a new General Manager, subject to our reasonable approval.

8.3.2 You acknowledge and agree that we shall have the right to rely upon the General Manager to have been given by you the responsibility and decision-making authority regarding the Franchised Restaurant's operation and your business.

8.4 Staffing

You agree to maintain a competent, conscientious, staff (who are trained by you to our standards and requirements) in numbers sufficient to promptly service customers and to take such steps as are necessary to ensure that your employees preserve good customer relations; render competent, prompt, courteous, and knowledgeable service; comply with such uniforms and/or dress code as we may prescribe; and meet such minimum standards as we may establish from time to time in the Manual. In no way limiting the foregoing, you shall have on duty at all times the number of managers and employees as required by us. You shall be solely responsible for all employment decisions and functions of the Franchised Restaurant, including those related to hiring, firing, wage and hour requirements, recordkeeping, supervision, and discipline of employees.

You and your Principals understand that compliance by all franchisees operating under the System with our training, development and operational requirements is an essential and material element of the System and that we, our affiliates and franchisees operating under the System consequently expend substantial time, effort and expense in training management personnel for the development and operation of their respective Restaurants. Accordingly, you and your Principals agree that if you or any Principal shall, during the term of this Agreement, designate as General Manager or employ in a managerial position any individual who is at the time or was within the preceding ninety (90) days employed in a managerial or supervisory position by us, including, but not limited to, individuals employed to work in Restaurants operated by us, our affiliates or by any other franchisee, then such former employer of such individual shall be entitled to be compensated for the reasonable costs and expenses, of whatever nature or kind, incurred by such employer in connection with the training of such employee.

The parties hereto agree that such expenditures may be uncertain and difficult to ascertain and therefore agree that the compensation specified herein reasonably represents such expenditures and is not a penalty. An amount equal to the compensation of such employee for the six (6) month period (or such shorter time, if applicable) immediately prior to the termination of his employment with such former employer shall be paid by you to the former employer prior to such individual assuming the position of General Manager or other managerial position unless otherwise agreed with the former employer. In seeking any individual to serve as General Manager or in such other managerial position, you and your Principals shall not discriminate in any manner whatsoever to whom the provisions of this Section apply, on the basis of the compensation required to be paid hereunder, if you or any Principal designates or employs such individual. The parties hereto expressly acknowledge and agree that no current or former employee of us, you, or of any other entity operating under the System shall be a third party beneficiary of this Agreement or any provision hereof. Notwithstanding the above, solely for purposes of bringing an action to collect payments due under this Section, such former employer shall be a third party beneficiary of this Section 8.4. We hereby expressly disclaim any representations and warranties regarding the performance of any employee or former employee of ours, or any franchisee under the System who is designated as your General Manager or employed by you or any of the Principals in any capacity, and we shall not be liable for any losses, of whatever nature or kind, incurred by you or any Principal in connection therewith.

8.5 Use of Premises

You shall use the Premises solely for the operation of the Franchised Restaurant; shall keep the Franchised Restaurant open and in normal operation for such minimum hours and days as we may specify, subject to local laws and/or the terms of your lease; shall refrain from using or permitting the use of the Premises for any other purpose or activity at any time without first obtaining our written consent. During business hours, You shall have management staff on duty responsible for supervising the Franchised Restaurant's employees and operations. You must have sufficient number of adequately trained and competent service, kitchen and other personnel on duty to guarantee efficient service to the customers of the Franchised Restaurant. You will require your employees to meet the appearance standards and to wear the prescribed attire or uniforms descried in the Manual.

8.6 Conformity to Standards

To insure that the highest degree of quality and service is maintained, you shall operate the Franchised Restaurant in strict conformity with such methods, standards, and specifications as we may from time to time prescribe in the Manual or otherwise in writing. Without limitation, you agree as follows:

8.6.1 You shall purchase and install prior to the opening of the Franchised Restaurant, and thereafter maintain, all fixtures, furnishings, equipment, décor, and signs, and maintain in sufficient supply supplies and materials, as we may prescribe in the Manual or otherwise in writing. You shall refrain from deviating from the use of any unapproved item without our prior written approval.

8.6.2 You shall offer and sell only Products that we specify from time to time, unless otherwise approved in writing by us; and you shall offer and sell all Products as we may specify from time to time as required offerings at the Franchised Restaurant. You shall offer and sell the Products utilizing the ingredients and employing the preparation standards and techniques as specified by us. You are prohibited from offering or selling any products or services at or from the Franchised Restaurant that have not previously been authorized by us, and shall discontinue selling and offering for sale any Products which we shall have the right to disapprove, in writing, at any time. If you wish to offer or sell any products or services that have not previously been authorized by us, you must first make a written request to us, requesting authorization to offer or sell such products or services in accordance with Section 8.7 below. We may deny such approval for any reason.

8.6.3 You shall permit us or our agents, at any reasonable time, to remove samples of Products, without payment therefor, in amounts reasonably necessary for testing by us or an independent laboratory to determine whether said samples meet our then-current standards and specifications. In addition to any other remedies we may have under this Agreement, we may require you to bear the cost of such testing if the supplier of the item has not previously been approved by us or if the sample fails to conform to our specifications.

8.6.4 You may be required to sell or offer to sell beer and wine ("**Alcoholic Beverages**"), unless prohibited by applicable law. You acknowledge and agree that Alcoholic Beverages are Products and you may be required to offer and sell Alcoholic Beverages at the Franchised Restaurant, and you shall: (i) be solely responsible for complying with all with all laws and regulations relating to alcohol and alcohol service or preparation; (ii) shall comply with our standards, specifications and terms regarding the offer, sale, and presentation of Alcoholic Beverages as approved Products, and shall obtain and maintain such additional insurance coverage as we may require pursuant to Section 14 of this Agreement. We reserve the right, in our sole discretion, to waive this requirement for you.

8.6.5 You shall participate in all customer surveys and satisfaction audits, which may require that you provide discount or complimentary Products, provided that such discounted or complimentary sales shall not be included in the Gross Sales of the Franchised Restaurant. Additionally, you shall participate in any complaint resolution and other programs as we may reasonably establish for the System, which programs may include, without limitation, providing discounts or refunds to customers.

8.6.6 In the event you sell any food, beverage, products, novelty items, clothing, souvenirs or performs any services that we have not prescribed, approved or authorized, you shall, immediately upon notice from us: (i) cease and desist offering or providing the unauthorized or unapproved food, beverage, product, premium, novelty item, clothing, souvenir or from performing such services and (ii) pay to us, on demand, a prohibited product or service fine equal to Two Hundred Fifty Dollars ($250) per day for each day such unauthorized or unapproved food, beverage, product, premium, novelty item, clothing, souvenir or service is offered or provided by you after written notice from us. The prohibited product or service fine shall be in addition to all other remedies available to us under this Agreement or at law.

8.7 Purchases and Approved Suppliers

You shall purchase all equipment, fixtures, furnishings, signs, décor, supplies, services, and products (including the Products) required for the establishment and operation of the Franchised Restaurant from suppliers designated or approved in writing by us (as used in this Section 8.7 the term "supplier" shall include manufacturers, distributors and other forms of suppliers). In determining whether it will approve any particular supplier, we shall consider various factors, including but not limited to whether the supplier can demonstrate, to our continuing reasonable satisfaction, the ability to meet our then-current standards and specifications for such items; who possess adequate quality controls and capacity to supply your needs promptly and reliably; whose approval would enable the System, in our sole opinion, to take advantage of marketplace efficiencies; and who have been approved in writing by us prior to any purchases by you from any such supplier, and have not thereafter been disapproved. We reserve the right to designate, at any time and for any reason, a single supplier for any equipment, supplies, services, or products (including any

Products) and to require you to purchase exclusively from such designated supplier, which exclusive designated supplier may be us or our affiliate.

8.7.1 Notwithstanding anything to the contrary in this Agreement, you shall purchase all of your requirements for Proprietary Products from our designee(s), as set forth in Section 8.8 below (through such distributor or distributors as we may designate). We shall have the right to introduce additional, substitute new, or discontinue Proprietary Products from time to time.

8.7.2 If you desire to purchase any Products (except for Proprietary Products) or other items, equipment, supplies, services from suppliers other than those previously designated or approved by us, you must first submit to us a written request for authorization to purchase such items. You shall not purchase from any supplier until, and unless, such supplier has been approved in writing by us. We may deny such approval for any reason, including our determination to limit the number of approved suppliers. You must submit to us such information and samples as we may reasonably require, and we shall have the right to require periodically that its representatives be permitted to inspect such items and/or supplier's facilities, and that samples from the proposed supplier, or of the proposed items, be delivered for evaluation and testing either to us or to an independent testing facility designated by us. Permission for such inspections shall be a condition of the initial and continued approval of such supplier. We may require that you pay to us a charge not to exceed the reasonable cost of the evaluation and testing. We may also require that the supplier comply with such other requirements as we may deem appropriate, including payment of reasonable continuing inspection fees and administrative costs, or other payment to us by the supplier on account of their dealings with you or other franchisees, for use, without restriction (unless otherwise instructed by the supplier) and for services that we may render to such suppliers.

8.7.3 We reserve the right, at our option, to re-inspect from time to time the facilities and products of any such approved supplier and to revoke our approval upon the supplier's failure to continue to meet any of our then-current criteria. Upon receipt of written notice of such revocation, you shall cease to sell or use any disapproved item, Products and/or cease to purchase from any disapproved supplier.

8.7.4 Nothing in the foregoing shall be construed to require us to approve any particular supplier, nor to require us to make available to prospective suppliers, standards and specifications for formulas, which we shall have the right to deem confidential.

8.7.5 Notwithstanding anything to the contrary contained in this Agreement, you acknowledge and agree that, at our sole option, we may establish one or more strategic alliances or preferred vendor programs with one or more nationally or regionally known suppliers who are willing to supply all or some DosBros® Restaurants with some or all of the products and/or services that we require for use and/or sale in the development and/or operation of DosBros® Restaurants. In this event, we may limit the number of approved suppliers with whom you may deal, may designate sources that you must use for some or all Products and other products and services, and/or may refuse any of your requests if we believe that this action is in the best interests of the System or the franchised network of DosBros® Restaurants. We shall have unlimited discretion to approve or disapprove all of the suppliers who may be permitted to sell Products to you.

8.7.6 We and our affiliates may receive payments or other compensation from suppliers on account of such suppliers' dealings with you and other franchisees; and we may use all amounts so received for any purpose we and our affiliates deem appropriate.

8.8 Proprietary Products

You acknowledge and agree that the Proprietary Products offered and sold at DosBros® Restaurants are manufactured in accordance with secret blends, standards, and specifications of us and/or our affiliates, and are Proprietary Products of us and/or our affiliates. In order to maintain the high standards of quality, taste, and uniformity associated with Proprietary Products sold at all DosBros® Restaurants in the System, you agree to purchase Proprietary Products only from us or our designee(s) (including approved suppliers), and not to offer or sell any other items not approved by us at or from the Franchised Restaurant. In connection with the handling, storage, transport and delivery of any Proprietary Products purchased from us, our affiliates or designee(s), you acknowledge that any action or inaction by any third party (e.g., an independent carrier) in connection with the handling, storage, transport and delivery of the Proprietary Products shall not be attributable to us nor constitute our negligence.

8.9 Inspections

You shall permit us and our agents to enter upon the Premises at any time during normal business hours, with or without notice, for the purpose of conducting inspections of the Premises and your operations. You shall cooperate with representatives in such inspections by rendering such assistance as they may reasonably request; and, upon notice from us or our agents, and without limiting our other rights under this Agreement, shall take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection. Should you, for any reason, fail to correct such deficiencies within a reasonable time as determined by us, we shall have the right, but not the obligation, to correct any deficiencies which may be susceptible to correction by us and to charge you for our actual expenses in so acting, which shall be payable by you upon demand by us. The foregoing shall be in addition to such other remedies we may have.

8.10 Trademarked Items

You shall ensure that all advertising and promotional materials, signs, decorations, paper goods (including wrapping and containers for products, napkins, menus and all forms and stationery used in the Franchised Restaurant), logoed merchandise (including t-shirts, caps and similar items), Products, and other items specified by us bear the Proprietary Marks in the form, color, location, and manner prescribed by us. You shall place and illuminate all signs in accordance with our specifications, subject to applicable and/or the terms of the lease for the Franchised Restaurant.

8.11 Participation in Promotions

You shall participate in promotional programs developed by us for the System, in the manner directed by us in the Manual or otherwise in writing. In no way limiting the foregoing, you agree that if required by us:

8.11.1 You shall participate in all programs and services for frequent customers, senior citizens, children, and other categories, which may include providing discount or complimentary Products.

8.11.2 You shall sell or otherwise issue gift cards or certificates (together "**Gift Cards**") that have been prepared utilizing the standard form of Gift Card provided or designated by us, and only in the manner specified by us in the Manual or otherwise in writing. You shall fully honor all Gift Cards that are in the form provided or approved by us regardless of whether a Gift Card was issued by you or another DosBros® Restaurant. You shall sell, issue, and redeem (without any offset against any Royalty Fees) Gift Cards in accordance with procedures and policies specified by us in the Manual or otherwise in writing, including those relating to procedures by which you shall request reimbursement for Gift Cards issued by other DosBros® Restaurants and for making timely payment to us, other operators of DosBros®

Restaurants, or a third-party service provider for Gift Cards issued from the Franchised Restaurant that are honored by us or other DosBros® Restaurant operators.

8.12 Health Standards

You shall meet and maintain the highest health standards and ratings applicable to the operation of the Franchised Restaurant under the Manual and applicable health ordinances. You shall also comply with the requirements set forth in the Manual for submitting to us a copy of a violation or citation relating to your failure to maintain any health or safety standards in the operation of the Franchised Restaurant.

8.13 Maintenance of Premises

You shall maintain the Franchised Restaurant and the Premises in a clean, orderly condition and in excellent repair; and, in connection therewith, you shall, at your expense, make such repairs and replacements thereto (but no others without our prior written consent) as may be required for that purpose, including such periodic repainting or replacement of obsolete signs, furnishings, equipment, and décor as we may reasonably direct.

8.14 Ongoing Upgrades and Refurbishments

As set forth in Section 8.6.1, throughout the term of this Agreement, you shall maintain all fixtures, furnishings, equipment, décor, and signs as we may prescribe from time to time in the Manual or otherwise in writing. You shall make such changes, upgrades, refurbishment, and replacements as we may periodically require, in the time frames specified by us.

8.15 Five Year Refurbishment and Renovations

At our request, but not more often than once every five (5) years, unless sooner required by your lease, you shall refurbish the Premises, at your expense, to conform to the restaurant design, trade dress, color schemes, and presentation of the Proprietary Marks in a manner consistent with the then-current image for new DosBros® Restaurants. Such refurbishment may include structural changes, installation of new equipment and signs, remodeling, redecoration, and modifications to existing improvements, and shall be completed pursuant to such standards, specifications and deadlines as we may specify.

8.16 Compliance with Lease

You shall comply with all terms of your lease or sublease, your financing agreements (if any), and all other agreements affecting the operation of the Franchised Restaurant; shall undertake best efforts to maintain a good and positive working relationship with your landlord and/or lessor; and shall not engage in any activity which may jeopardize your right to remain in possession of, or to renew the lease or sublease for, the Premises.

8.17 Obligations to Third Parties

You must at all times pay your distributors, contractors, suppliers, trade creditors, employees and other creditors promptly as the debts and obligations to such persons become due, and failure to do so shall constitute a breach of this Agreement.

8.18 Notice of Legal Actions

You shall notify us in writing within five (5) days of the commencement of any suit to foreclose any lien or mortgage, or any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, including health agencies, which (i) relates to the operation of the Franchised Restaurant, (ii) may adversely affect the operation or financial condition of the Franchised Restaurant, or (iii) may adversely affect your financial condition.

8.19 No Relocation

You shall not relocate the Franchised Restaurant from the Approved Location without our prior written approval. If you desire to relocate the Franchised Restaurant, the following terms and conditions shall apply:

8.19.1 You shall submit such materials and information as we may request for the evaluation of the requested plan of relocation. We may, in our sole discretion, require any or all of the following as conditions of our approval for relocation: (i) you are not in default under any provision of this Agreement, or any other agreement between you and us; (ii) the proposed substitute location meets our then-current standards for DosBros® Restaurants; (iii) the lease (if applicable) for the proposed substitute location must comply with our then-current lease requirements for DosBros® Restaurants (which may include the requirement that the lease contain certain terms and conditions, which may be different than, or in addition to, those terms we required as of the Effective Date with respect to the Approved Location), and you must obtain our approval of the proposed lease; (iv) you must possess the financial resources to meet the costs associated with relocating; (v) you enter into our then-current form of Franchise Agreement (which shall replace this Agreement); and (vi) you pay to us a relocation fee in an amount we specify, currently Two Thousand Dollars ($2,000).

8.19.2 If, through no fault of yours, the Premises are damaged or destroyed by an event such that repairs or reconstruction cannot be completed within sixty (60) days thereafter, then you shall have forty five (45) days after such event in which to apply for our approval to relocate and/or reconstruct the Franchised Restaurant, which approval shall not be unreasonably withheld and, in such event, the relocation fee described in Section 8.19.1 above shall not apply.

8.20 Franchisee Advisory Councils

We may form or require the formation of a franchisee advisory council or association ("**Advisory Council**") or a successor council to serve as an advisory council to us with respect to advertising, marketing, and other matters relating to DosBros® Restaurants. Members of an Advisory Council include our representatives and franchisee representatives chosen by us. If we choose to form an Advisory Council, we may require you to become a member of the Advisory Council. In this event, you shall abide by the rules and regulations of the Advisory Council and shall at all times maintain your membership in the Advisory Council in good standing. The Advisory Council will act in an advisory capacity only and will not have decision making authority. We reserve the right to form, change, merge or dissolve any Advisory Council in our discretion.

8.21 Changes to the System

You acknowledge and agree that from time to time hereafter we may change or modify the System presently identified by the Proprietary Marks, as we deem appropriate, including without limitation to reflect the changing market and to meet new and changing consumer demands, and that variations and additions to the System may be required from time to time to preserve and enhance the public image of the System and operations of DosBros® Restaurants. Changes to the System may include, without limitation, the adoption and use of new, modified, or substituted products, services, equipment and furnishings and new techniques and methodologies, and (as described in Section 9 below) additional or substitute trademarks, service marks and copyrighted materials. You shall, upon reasonable notice, accept, implement, use and display in the operation of the Franchised Restaurant any such changes in the System, as if they were part of this Agreement at the time of execution hereof, at your sole expense. Additionally, we reserve the right, in our sole discretion, to vary the standards throughout the System, as well as the services and assistance that we may provide to some franchisees based upon the peculiarities of a particular site or circumstance, existing business practices, or other factors that we deem to be important to the operation of any DosBros® Restaurant or the System. You shall have no recourse against us on account of any variation to any franchisee and shall not be entitled to require us to provide you with a like or similar variation hereunder.

8.22 Modifications Proposed by You

You shall not implement any change to the System (including the use of any product or supplies not already approved by us) without our prior written consent. You acknowledge and agree that, with respect to any change, amendment, or improvement in the System or use of additional product or supplies for which you request our approval: (i) you shall have the right to incorporate the proposed change into the System and shall thereupon obtain all right, title, and interest therein without compensation to you, (ii) we shall not be obligated to approve or accept any request to implement change, and (iii) we may from time to time revoke our approval of particular change or amendment to the System, and upon receipt of written notice of such revocation, you shall modify your activities in the manner described by us.

8.23 Compliance with Anti-Terrorism Laws

You and your owners agree to comply, and to assist us to the fullest extent possible in our efforts to comply with Anti-Terrorism Laws (defined below). In connection with that compliance, you and your owners certify, represent, and warrant that none of your property or interests is subject to being blocked under, and that you and your owners otherwise are not in violation of, any of the Anti-Terrorism Laws. "Anti-Terrorism Laws" mean 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 other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by you or your owners, or any blocking of your or your owners' assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement.

9. PROPRIETARY MARKS

9.1 Ownership

We represent with respect to the Proprietary Marks that:

9.1.1 We are the owner or the licensee of the owner of the Proprietary Marks, with all right, title, and interest in and to the Proprietary Marks.

9.1.2 We will take all steps reasonably necessary to preserve and protect the ownership and validity in and to the Proprietary Marks.

9.1.3 All references to us in this Section 9 shall be deemed to include our affiliate, the owner and licensor of the Proprietary Marks.

9.2 License to You

Your right to use the Proprietary Marks is limited to such uses as are authorized under this Agreement, and any unauthorized use thereof shall constitute an infringement of our rights.

9.3 Terms of Your Usage

With respect to your use of the Proprietary Marks, you agree to:

9.3.1 Use only the Proprietary Marks designated by us, and to use them only in the manner authorized and permitted by us;

9.3.2 You shall use the Proprietary Marks only for the operation of the business franchised hereunder and only at the location authorized hereunder, or in advertising approved by us for the business conducted at or from that location;

9.3.3 Operate and advertise the Franchised Restaurant only under the name "DosBros®," and use the Proprietary Marks without prefix or suffix, unless otherwise authorized or required by us.

9.3.4 Unless agreed by us in writing, you shall not use the Proprietary Marks as part of your corporate or other legal name, or as part of any e-mail address, domain name, or other identification of you in any electronic medium. You may, as necessary to conduct the business of the Franchised Restaurant and to obtain governmental licenses and permits for the Franchised Restaurant, indicate that you shall be operating the Franchised Restaurant under the trade name "DosBros®," provided that you shall also clearly identify yourself as the independent owner and operator of the Franchised Restaurant;

9.3.5 Identify yourself as the independent owner of the Franchised Restaurant (in the manner required by us) in conjunction with any use of the Proprietary Marks, including on invoices, order forms, receipts, and business stationery, as well as at such conspicuous locations on the Premises as we may designate in writing;

9.3.6 Not to use the Proprietary Marks to incur any obligation or indebtedness on our behalf;

9.3.7 Execute any documents deemed necessary by us to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability; and

9.3.8 Promptly notify us of any suspected unauthorized use of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to our license of, our right to use and to license others to use, or your right to use the Proprietary Marks. You acknowledge that we have the sole right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement thereof. We have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks. We shall defend you against any third-party claim, suit, or demand arising out of your use of the Proprietary Marks. If we, in our sole discretion, determine that you have used the Proprietary Marks in accordance with this Agreement, the cost of such defense, including the cost of any judgment or settlement, shall be borne by us. If we, in our sole discretion, determine that you have not used the Proprietary Marks in accordance with this Agreement, the cost of such defense, including the cost of any judgment or settlement, shall be borne by you. In the event of any litigation relating to your use of the Proprietary Marks, you shall execute any and all documents and do such acts as may, in our opinion, be necessary to carry out such defense or prosecution, including, but not limited to, becoming a nominal party to any legal action. Except to the extent that such litigation is the result of your use of the Proprietary Marks in a manner inconsistent with the terms of this Agreement, we agree to reimburse you for your out-of-pocket costs in doing such acts.

9.4 Your Acknowledgments

You expressly understand and acknowledge that:

9.4.1 We are the licensee of the owner of the Proprietary Marks, with all right, title, and interest in and to the Proprietary Marks and the goodwill associated with and symbolized by them, and that we have the sole right to use, and license others to use, the Proprietary Marks;

9.4.2 During the term of this Agreement and after its expiration or termination, you shall not directly or indirectly contest the validity of our right to use and to license others to use, the Proprietary Marks;

9.4.3 Your use of the Proprietary Marks does not give you any ownership interest or other interest in or to the Proprietary Marks;

9.4.4 Any and all goodwill arising from your use of the Proprietary Marks shall inure solely and exclusively to our benefit, and, upon expiration or termination of this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with your use of the System or the Proprietary Marks;

9.4.5 The right and license of the Proprietary Marks granted hereunder to you is non-exclusive, and we thus have and retain the rights, among others: (a) to use the Proprietary Marks ourselves in connection with selling the Products; (b) to grant other licenses for the Proprietary Marks; and (c) to develop and establish other systems using the Proprietary Marks, similar proprietary marks, or any other proprietary marks, and to grant licenses thereto without providing any rights therein to you; and

9.4.6 We shall have the right to substitute different proprietary marks for use in identifying the System and the businesses operating thereunder at our sole discretion, which you shall incorporate at your expense.

10. CONFIDENTIAL OPERATIONS MANUAL

10.1 The Manual and Furnishings to You

In order to protect our reputation and goodwill and to maintain high standards of operation under the System, you shall operate the Franchised Restaurant in accordance with the standards, methods, policies, and procedures specified in the Manual, which you shall receive on loan from us via electronic access or otherwise, for the term of this Agreement upon your completion of our Training Program. The Manual may be set forth in several volumes, computer disks, other electronic stored data, and videotapes, including such amendments thereto as we may publish from time to time. Additionally, you acknowledge and agree that we may provide a portion or all (including updates and amendments) of the Manual and other instructional information and materials in, or via, electronic media, including without limitation, through the use of computer disks, or the Internet.

10.2 The Manual is Proprietary and Confidential

You shall treat the Manual, any other materials created for or approved for use in the operation of the Franchised Restaurant, and the information contained therein, as confidential, and shall use all reasonable efforts to maintain such information (both in electronic and other formats) as proprietary and confidential. You shall not download, copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, or otherwise make the same available to any unauthorized person, except as authorized in advance by us.

10.3 The Manual Remains Our Property

The Manual shall remain our sole property and shall be accessible only from a secure place on the Premises, and shall be returned to us, as set forth in Section 17.8 below, upon the termination or expiration of this Agreement.

10.4 Revisions to the Manual

We may from time to time revise the contents of the Manual, and you expressly agree to comply with each new or changed standard. You shall ensure that the Manual is kept current at all times. In the event of any dispute as to the contents of the Manual, the terms of the master copies maintained at our home office shall be controlling.

10.5 Replacement Manual

At any time during the term of this Agreement if you require a replacement Manual, you agree to pay to us our then-current fee for such replacement Manual.

11. CONFIDENTIAL INFORMATION

11.1 Agreement with respect to Confidentiality

You acknowledge and agree that you shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person or entity any confidential information, knowledge, or know-how concerning us, the System, the Products and/or the marketing, management or operations of the Franchised Restaurant that may be communicated to you or of which you may be apprised by virtue of your operation under the terms of this Agreement. You shall divulge such confidential information only to such of your employees as must have access to it in order to operate the Franchised Restaurant. Any and all information, knowledge, know-how, and techniques which we designate as confidential shall be deemed confidential for purposes of this Agreement, except information which you can demonstrate came to your attention prior to disclosure thereof by us; or which, at or after the time of disclosure by us to you, had become or later becomes a part of the public domain, through publication or communication by others.

11.2 Individual Covenants of Confidentiality

At our request, you shall require your manager(s) and any personnel having access to any of our confidential information to execute covenants that they will maintain the confidentiality of information they receive in connection with their employment by you at the Franchised Restaurant. Such covenants shall be in a form satisfactory to us (the current forms of which are included in Exhibit F to this Agreement), which shall include specific identification of us as a third-party beneficiary of such covenants with the independent right to enforce them.

11.3 Remedies for Breach

You acknowledge that any failure to comply with the requirements of this Section 11 will cause us irreparable injury, and you agree to pay all court costs and reasonable attorneys' fees incurred by us in obtaining specific performance of, or an injunction against violation of, the requirements of this Section 11.

11.4 Grant Back

You agree to disclose to us all ideas, concepts, methods, techniques and products conceived or developed by us, our affiliates, owners or employees during the term of this Agreement relating to the development and/or operation of the Franchised Restaurant. You hereby grant to us and agree to procure from your affiliates, owners or employees a perpetual, non-exclusive, and worldwide right to use any such ideas, concepts, methods, techniques in all restaurant businesses operated by us or our affiliates, franchisees and designees. We shall have no obligation to make any payments to you with respect to any such ideas, concepts, methods, techniques or products. You agree that you will not use or allow any other person or entity to use any such concept, method, technique or product without obtaining our prior written approval.

12. ACCOUNTING AND RECORDS

12.1 Books and Records

With respect to the operation and financial condition of the Franchised Restaurant, we may require that you adopt, until otherwise specified by us, a fiscal year that coincides with our then-current fiscal year, as specified by us in the Manual or otherwise in writing. You shall maintain for a period of not less than seven (7) years during the term of this Agreement, and, for not less than seven (7) years following the termination, expiration, or non-renewal of this Agreement, full, complete, and accurate books, records, and accounts in accordance with generally accepted accounting principles and in the form and manner prescribed by us from time to time in the Manual or otherwise in writing, including but not limited to: (i) daily transaction reports; (ii) cash receipts journal and general ledger; (iii) cash disbursements and weekly payroll journal and schedule; (iv) monthly bank statements, deposit slips and cancelled checks; (v) all tax returns; (vi) suppliers' invoices (paid and unpaid); (vii) dated daily and weekly transaction journal; (viii) semi-annual fiscal period balance sheets and fiscal period profit and loss statements; and (ix) such other records as we may from time to time request.

12.2 Your Reports to Us

In addition to the Sales Reports required pursuant to Section 4.3 above, you shall:

12.2.1 Prepare by the twenty-fifth (25th) day of each calendar month a balance sheet and profit and loss statement and an activity report for the last preceding calendar month, which shall be in the form prescribed by us. You shall maintain and submit such statements and reports to us at the times as we may designate or otherwise request.

12.2.2 Submit to us not later than April 15th of the year following the end of each calendar year, unless we designate in writing a different due date, during the term of this Agreement, a profit and loss statement for such year and a balance sheet as of the last day of such year, prepared on an accrual basis in accordance with U.S. generally accepted accounting principles ("**GAAP**"), including but not limited to all adjustments necessary for fair presentation of the financial statements. You shall certify such financial statements to be true and correct. Additionally, we reserve the right to require you to prepare (or cause to be prepared) and provide to us annual financial statements (that includes a fiscal year-end balance sheet, an income statement of the Franchised Restaurant for such fiscal year reflecting all year-end adjustments, and a statement of changes in cash flow of you), and to require that such statements be prepared on a review basis by an independent certified public accountant. You shall provide such additional information, if any, as we may reasonably require in order for us to meet our obligations under GAAP.

12.2.3 Maintain your books and records, and provide all statements and reports to us using the standard statements, templates, categories, and chart of accounts that we provide to you.

12.2.4 Submit to us such other periodic reports, forms and records as specified, and in the manner and at the time as specified in the Manual or as we shall otherwise require in writing from time to time (including without limitation the requirement that you provide or make available to us certain sales and financial information in electronic format and/or by electronic means).

12.3 Inspection and Audit

We and our agents shall have the right at all reasonable times to examine and copy, at our expense, your books, records, accounts, and/or business tax returns. We shall also have the right, at any time, to have an independent audit made of your books. If an inspection should reveal that any contributions or payments have been understated in any statement or report to us, then you shall immediately pay to us the amount understated upon demand, plus applicable late fees as set forth in Section 4.7 and interest as set forth in Section 4.8. If an inspection discloses an understatement in any statement or report of three percent (3%) or more, you shall, in addition to repayment of monies owed with interest, reimburse us for any and all costs and expenses connected with the inspection (including travel, lodging and wages expenses, and reasonable accounting and legal costs). The foregoing remedies shall be in addition to any other remedies we may have.

13. ADVERTISING AND PROMOTION

13.1 Local Advertising

You shall comply with the following with respect to "local advertising and promotion" for the Franchised Restaurant:

13.1.1 You shall spend a minimum of two percent (2%) of Gross Sales on local advertising and promotion each month. You shall account for such expenditures on a routine basis and shall prepare, in accordance with the schedule and procedures specified by us in the Manual, detailed reports describing the amount of money expended on local advertising and promotion during such previous period. You shall maintain all such statements, reports and records, and shall submit same to us as we may specify in the Manual or otherwise request of you. Additionally, at our request, you shall submit bills, statements, invoices, or other documentation satisfactory to us to evidence your advertising or marketing activities.

13.1.2 As used in this Agreement, the term "**local advertising and promotion**" shall refer to advertising and promotion related directly to the Franchised Restaurant, and shall, unless otherwise specified, consist only of the direct costs of purchasing advertising materials (including, but not limited to, camera-ready advertising and point of sale materials), media (space or time), promotion, direct out-of-pocket expenses related to costs of advertising and sales promotion (including, but not limited to, advertising agency fees and expenses, cash and "in-kind" promotional payments to landlords, postage, shipping, telephone, and photocopying), and such other activities and expenses as we, in our sole discretion, may specify. We may provide to you, in the Manual or otherwise in writing, information specifying the types of advertising and promotional activities and costs which shall not qualify as "local advertising and promotion," including, without limitation, the value of advertising coupons, and the costs of products provided for free or at a reduced charge for charities or other donations.

13.1.3 Upon written notice to you, we may require you to participate in mandatory promotions as we may develop and implement from time to time.

13.2 Grand Opening Advertising

You shall expend a minimum of between Fifteen Thousand Dollars ($15,000) and Fifty Thousand Dollars ($50,000) for grand opening advertising and promotional programs in conjunction with the Franchised Restaurant's initial grand opening (the "**Grand Opening Advertising Program**"). The Grand Opening Advertising Program shall be executed and completed within the sixty (60) day period after the Franchised Restaurant opens. We will work with you to develop your Grand Opening Advertising Program for your market. You shall submit to us, for our prior written approval, a marketing plan and samples of all advertising and promotional material not prepared or previously approved by us. For the purpose of this Agreement, the Grand Opening Advertising Program shall not count toward your local advertising and promotion requirement, as provided under Section 13.1 above. Additionally, you shall be required to supply us with documentary evidence of all expenditures towards your Grand Opening Advertising Program. Should you fail to meet such minimum requirements, you shall be prohibited from opening the Franchised Restaurant.

13.3 Standards for Advertising

All advertising, marketing and promotion to be used by you shall be in such media and of such type and format as we may approve, shall be conducted in a dignified manner, and shall conform to such standards and requirements as we may specify. You shall not use any marketing or promotional plans or materials that are not provided by us unless and until you have submitted the materials to us, pursuant to the procedures and terms set forth in Section 13.4 herein. At our request, you shall include certain language in your local advertising and promotion materials, including "Franchises Available" and our website address and telephone number.

13.4 Our Approval of Proposed Plans and Materials

If you desire to use marketing and promotional plans and materials that have not been provided or previously approved by us, you shall submit samples of all such marketing and promotional plans and materials to us for prior approval (including prices to be charged). If written notice of approval is not received by you from us within fifteen (15) days of the date of our receipt of such samples or materials, the proposed samples or materials are deemed not approved. The requirement to obtain our prior approval of advertising plans and materials shall apply to all forms of "local advertising and promotion", including the local advertising conducted by you individually and the Grand Opening Advertising Program.

13.5 Ownership of Advertising Plans and Materials

You acknowledge and agree that any and all copyrights in and to advertising and promotional materials developed by you or on your behalf which bear the Proprietary Marks shall be our sole property, and you agree to execute such documents (and, if necessary, require your independent contractors to execute such documents) as may be deemed reasonably necessary by us to give effect to this provision. Any advertising, marketing, promotional, public relations, or sales concepts, plans, programs, activities, or materials proposed or developed by you for the Franchised Restaurant or the System and approved by us may be used by us and other operators under the System without any compensation to you.

13.6 National Advertising Fund

We reserve the right, but are under no obligation, to establish and administer a National Advertising Fund (the "Fund"). You agree that at such time as we establish the Fund, the Fund will be maintained and administered by us or our designee as follows:

13.6.1 We shall direct all advertising programs and shall have sole discretion to approve or disapprove the creative concepts, materials and media used in such programs and the placement and allocation thereof. You agree and acknowledge that the Fund is intended to maximize general public recognition and acceptance of the Proprietary Marks and enhance the collective success of all Restaurants operating under the System. Any Restaurants operated by us or our affiliates shall contribute to the Fund generally on the same basis as our franchisees. In administering the Fund, we and our designees undertake no obligation to make expenditures for you which are equivalent or proportionate to your contributions to the Fund or to ensure that any particular franchisee or Restaurant benefits directly or pro rata from the placement of advertising.

13.6.2 You agree that the Fund may be used to satisfy any and all costs of maintaining, administering, directing and preparing advertising (including, without limitation, the cost of preparing and conducting television, radio, magazine and newspaper advertising; campaigns; direct mail and outdoor billboard advertising; public relations activities; employing advertising agencies to assist therein; and costs of our personnel and other departmental costs for advertising that is internally administered or prepared by us). All Advertising Fees paid to the Fund shall be maintained in a separate account by us and may be used to defray any of our reasonable administrative costs and overhead as we may incur in activities reasonably related to the administration or direction of the Fund and advertising programs for franchisees and the System. The Fund and its earnings shall not otherwise inure to our benefit. The Fund is operated solely as a conduit for collecting and expending the Advertising Fees as outlined above. You agree and acknowledge that we have no fiduciary duty whatsoever to you, or any other franchisees, or their respective principals with regard to the operation or administration of the Fund.

13.6.3 A statement of the operations of the Fund shall be prepared annually by us and shall be made available to you upon request. Such statement is not required to be audited. Any money in the Fund that is not spent in the fiscal year in which it accrues will be carried over and remain in the Fund to be spent in the next fiscal year.

13.6.4 Although the Fund is intended to be of perpetual duration, we may terminate the Fund. The Fund shall not be terminated, however, until all monies in the Fund have been expended for advertising or promotional purposes or returned to contributing DosBros® Restaurants, without interest, on the basis of their respective contributions. If we terminate the Fund we may reinstate it at any time and any reinstated Fund shall be administered as described herein.

13.7 Advertising Cooperatives

You agree that we shall have the right, in our sole option, to designate any geographic area in which two (2) or more DosBros® Restaurants are located as a region for purposes of establishing an advertising cooperative ("**Advertising Cooperative**"), or we may approve of an Advertising Cooperative formed by our franchisees. The members of the Advertising Cooperative for any area shall, at a minimum, consist of all DosBros® Restaurants within that geographic area. Each Advertising Cooperative shall be organized and governed in a form and manner, and shall commence operation on a date, determined in advance by us in our sole discretion. Each Advertising Cooperative shall be organized for the exclusive purposes of administering advertising programs and developing, subject to our approval pursuant to Section 13.4, promotional materials for use by the members in local advertising and promotion. If at the time of the execution of this Agreement an Advertising Cooperative has been established for a geographic area that encompasses your Franchised Restaurant, or if any such Advertising Cooperative is established during the term of this Agreement, you shall execute such documents as are required by us immediately upon our request and shall become a member of the Advertising Cooperative pursuant to the terms of those documents. You shall participate in the Advertising Cooperative as follows:

13.7.1 You shall contribute to the Advertising Cooperative such amounts required by the documents governing the Advertising Cooperative; provided, however, you will not be required to contribute more than two percent (2%) of Gross Sales during each month to the Advertising Cooperative unless, subject to our approval, the members of the Advertising Cooperative agree to the payment of a larger fee. Notwithstanding the above, the payment of any such Advertising Cooperative fee may be applied by you toward satisfaction of your local advertising and promotion requirement set forth in Section 13.1; provided, however, that in the event the amount you contribute to an Advertising Cooperative is less than the amount you are required to spend for local advertising and promotion, you shall nevertheless spend the difference locally. The amount you contribute to an Advertising Cooperative will not decrease your Advertising Fee;

13.7.3 You shall submit to the Advertising Cooperative and to us such statements and reports as may be required by us or by the Advertising Cooperative. All contributions to the Advertising Cooperative shall be maintained and administered in accordance with the documents governing the Advertising Cooperative. The Advertising Cooperative shall be operated solely as a conduit for the collection and expenditure of the Advertising Cooperative fees for the purposes outlined above;

13.7.4 No advertising or promotional plans or materials may be used by the Advertising Cooperative or furnished to its members without our prior approval. All such plans and materials shall be submitted to us in accordance with the procedure set forth in Section 13.4;

13.7.5 Each member of the Advertising Cooperative, including Restaurants owned and operated by us and/or our affiliates that are members, shall have one (1) vote for purposes of electing officers and approving or disapproving proposed collective advertising ventures; and

13.7.6 We will have the right, in our discretion, to form, change, merge or dissolve any Advertising Cooperative.

14. INSURANCE

14.1 Insurance

You shall procure at your expense and maintain in full force and effect during the term of this Agreement, an insurance policy or policies protecting you and us, and our respective officers, directors, partners and employees against any loss, liability, personal injury, death, or property damage or expense whatsoever arising or occurring upon or in connection with your operations and the Franchised Restaurant, as we may reasonably require for our own and your protection. We and such of our affiliates as we designate shall be named additional insureds in such policy or policies.

14.2 Coverages

Such policy or policies shall be written by an insurance company satisfactory to us in accordance with standards and specifications set forth in the Manual or otherwise in writing; provided, however, that we shall have the right to designate from time to time one or more insurance companies as the insurance carrier(s) for DosBros® Restaurants, and if required by us, you shall obtain your insurance coverage from the designated insurance company (or companies). The policy or policies shall include, at a minimum (except as different coverages, umbrella coverages, and policy limits may reasonably be specified for all franchisees from time to time by us in the Manual or otherwise in writing) the following:

14.2.1 Builder's risk insurance that satisfies the standards and specifications set forth by us in the Manual or otherwise in writing to cover any period(s) of renovation or construction at the Franchised Restaurant.

14.2.2 Comprehensive general liability with limits of not less than One Million Dollars ($1,000,000) per occurrence and Three Million Dollars ($3,000,000) aggregate.

14.2.3 Dram Shop liability insurance, if applicable, with limits of not less than Three Million Dollars ($3,000,000) aggregate.

14.2.4 Automobile liability insurance, if applicable, including owned, non-owned and hired vehicle coverage, with limits of not less than Five Hundred Thousand Dollars ($500,000) per occurrence.

14.2.5 "All Risk" property insurance coverage with not less than replacement cost coverage.

14.2.6 Business interruption insurance in an amount of not less than One Million Dollars ($1,000,000) per occurrence.

14.2.8 Workers' compensation insurance in amounts provided by applicable law or, if permissible under applicable law, any legally appropriate alternative providing substantially similar compensation to injured workers.

14.2.9 Such other insurance required by the state or locality in which the Restaurant is located and operated or as may be required by the lease for the Restaurant.

14.3 Certificates of Insurance

The insurance afforded by the policy or policies respecting liability shall not be limited in any way by reason of any insurance which may be maintained by us. Prior to commencing any renovations or construction at the Franchised Restaurant, you shall provide us with a Certificate of Insurance for the builder's risk insurance required under Section 14.2.1. At least thirty (30) days prior to the opening of the Franchised Restaurant, but in no event later than the date on which you acquire an interest in the real property on which you will develop and operate the Franchised Restaurant, and thereafter on an annual basis, you shall provide us with a Certificate of Insurance showing compliance with the foregoing requirements (except with respect to the builder's risk insurance, which shall have already been in effect pursuant to Section 14.2.1 above). Such certificate shall state that said policy or policies will not be canceled or altered without at least thirty (30) days prior written notice to us and shall reflect proof of payment of premiums. Maintenance of such insurance and the performance by you of the obligations under this Section shall not relieve you of liability under the indemnity provision set forth in this Agreement. You acknowledge that minimum limits as required above may be modified by us in our sole discretion from time to time, by written notice to you.

14.4 Our Right to Procure Insurance for You

Should you, for any reason, not procure and maintain such insurance coverage as required by this Agreement, we shall have the right and authority (without, however, any obligation to do so) immediately to procure such insurance coverage and to charge same to you, which charges, together with a reasonable fee for expenses incurred by us in connection with such procurement, shall be payable by you immediately upon notice.

15. TRANSFER OF INTEREST

15.1 Our Right to Transfer

We shall have the right to assign this Agreement and all of our attendant rights and privileges to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of our functions: (i) the assignee shall, at the time of such assignment, be financially responsible and economically capable of performing our obligations; and (ii) the assignee shall expressly assume and agree to perform such obligations.

You expressly affirm and agree that we may sell our assets, our rights to the Proprietary Marks or to the System outright to a third party; may go public; may engage in a private placement of some or all of our securities; may merge, acquire other corporations, or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring; and, with regard to any or all of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of said Proprietary Marks (or any variation thereof) and/or the loss of association with or identification of "Baybros FC LLC" as Franchisor. Nothing contained in this Agreement shall require us to remain in the restaurant business or to offer the same products and services, whether or not bearing the Proprietary Marks, in the event that we exercise our right to assign our rights in this Agreement.

15.2 No Transfers Without Our Approval

You understand and acknowledge that the rights and duties set forth in this Agreement are personal to you or your Principals, if you are not an individual, and that we have granted this franchise in reliance on your or your Principals' business skill, financial capacity, and personal character. Accordingly:

15.2.1 You shall not, without our prior written consent, transfer, pledge or otherwise encumber: (a) your rights and/or obligations under this Agreement; or (b) any material asset of you or the Franchised Restaurant.

15.2.2 If you are a corporation or limited liability company, you shall not, without our prior written consent, issue any voting securities or securities convertible into voting securities, and the recipient of any such securities shall become a Principal under this Agreement, if so designated by us.

15.2.3 If you are a partnership or limited partnership, the partners of the partnership shall not, without our prior written consent, admit additional general partners, remove a general partner, or otherwise materially alter the powers of any general partner. Each general partner shall automatically be deemed a Principal of yours.

15.2.4 A Principal shall not, without our prior written consent, transfer, pledge or otherwise encumber any interest of the Principal in you, as such is identified in Exhibit C.

15.3 Conditions on Transfer

We shall not unreasonably withhold any consent required by Section 15.2 above; provided, that if the proposed transfer alone or together with other previous, simultaneous, or proposed transfers would have the effect of changing control of you, results in the assignment of your rights and obligations under this Agreement, or transfers the ownership interest in all or substantially all of the assets of the Franchised

Restaurant or the business franchised hereunder, we shall have the right to require any or all of the following as conditions of our approval:

15.3.1 All of your monetary obligations and all other outstanding obligations to us, our affiliates, and the approved suppliers of the System have been satisfied in full;

15.3.2 You shall not be in default under any provision of this Agreement, any other agreement between you and us or our affiliate, the approved suppliers of the System, or the lessor (or sublessor) for the Premises;

15.3.3 Each transferor (and, if the transferor is other than an individual, the transferor and such owners of beneficial interest in the transferor as we may request) shall have executed a general release in a form satisfactory to us of any and all claims against us and our affiliates and our respective officers, directors, agents, and employees;

15.3.4 The transferee of a Principal shall be designated as a Principal and each transferee who is designated a Principal shall enter into a written agreement, in a form satisfactory to us, agreeing to be bound as a Principal under the terms of this Agreement as long as such person or entity owns any interest in you. Additionally, the transferee and/or such owners of the transferee as we may request shall guarantee the performance of the transferee's obligations in writing in a form satisfactory to us;

15.3.5 The transferee shall demonstrate to our satisfaction that the terms of the proposed transfer do not place an unreasonable financial or operational burden on the transferee, and that the transferee (or, if the transferee is other than an individual, such owners of beneficial interest in the transferee as we may request) meets our then-current application qualifications (which may include educational, managerial, socially responsible, and business standards, good moral character, business reputation, and credit rating); has the aptitude and ability to operate the Franchised Restaurant and absence of conflicting interests; is not involved in a Competitive Business (as defined in Section 17.4 below); and has adequate financial resources and capital to operate the Franchised Restaurant;

15.3.6 At our option, the transferee shall execute the form of franchise agreement then being offered to new System franchisees, and such other ancillary agreements required by us for the business franchised hereunder, which agreements shall supersede this Agreement, and our ancillary documents in all respects, and the terms of which may differ from the terms of this Agreement including, without limitation, higher and/or additional fees;

15.3.7 If so requested by us, you, at your expense, shall upgrade the Franchised Restaurant, and other equipment to conform to the then-current standards and specifications of new DosBros® Restaurants then being established in the System, and shall complete the upgrading and other requirements within the time specified by us;

15.3.8 The transferor shall remain liable for all of the obligations to us in connection with the Franchised Restaurant that arose prior to the effective date of the transfer and shall execute any and all instruments reasonably requested by us to evidence such liability;

15.3.9 The transferee (and, if the transferee is not an individual, such Principals of the transferee as we may request) and the transferee's manager (if applicable) shall, at the transferee's expense, successfully attend and successfully complete any Training Programs then in effect for operators and managers upon such terms and conditions as we may reasonably require;

15.3.10 You shall pay a transfer fee in an amount equal to Seven Thousand Five Hundred Dollars ($7,500) to compensate us for our expenses incurred in connection with the transfer;

15.3.11 The transferor(s) shall agree in writing to comply with the confidentiality covenants set forth herein and the non-competition covenants set forth in Section 18 below.

15.4 Additional Terms

For any transfer not covered by Section 15.3, each transferee shall, in addition to the requirement of obtaining our consent as provided in Section 15.2 , be subject to the requirements of Sections 15.3.3 and 15.3.4 above (with respect to execution of releases and personal guarantees).

15.5 Security Interests

Neither you nor any Principal shall grant a security interest in, or otherwise encumber, any of your assets or securities, including the Franchised Restaurant unless you satisfy our requirements, which include, without limitation, execution of an agreement by the secured party in which it acknowledges the creditor's obligations under this Section 15, and agrees that in the event of any default by you under any documents related to the security interest, we shall have the right and option (but not the obligation) to be substituted as obligor to the secured party and to cure any default of yours, and, in the event we exercise such option, any acceleration of indebtedness due to your default shall be void.

15.6 Right of First Refusal

If you or any Principal desire to accept any *bona fide* offer from a third party to purchase you, any material asset of yours, or any direct or indirect interest in you, you or such Principal shall promptly notify us, and shall provide such information and documentation relating to the offer as we may require. We shall have the right and option, exercisable within thirty (30) days after receipt of the written transfer request and the required information and documentation related to the offer (including any information that we may reasonably request to supplement or clarify information provided to us with the written transfer request), to send written notice to the seller that we intend to purchase the seller's interest on the same terms and conditions offered by the third party; provided, however, a spouse, domestic partner, parent or child of the seller shall not be considered a third party for purposes of this Section 15.6. If we elect to purchase the seller's interest, closing on such purchase shall occur within forty-five (45) days from the date of notice to the seller of our election to purchase, or, if longer, on the same timetable as contained in the *bona fide* offer.

15.6.1 Any material change thereafter in the terms of the offer from the third party or by you or a change in the identity of the third party shall constitute a new offer subject to our same rights of first refusal as in the case of the third party's initial offer. Our failure to exercise the option afforded by this Section 15.6 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section 15, with respect to a proposed transfer.

15.6.2 If the consideration, terms, and/or conditions offered by a third party are such that we may not reasonably be required to furnish the same consideration, terms, and/or conditions, then we may purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within a reasonable time on the reasonable equivalent in cash of the consideration, terms, and/or conditions offered by the third party, we shall designate an independent appraiser to make a binding determination. The cost of any such appraisal shall be shared equally by us and you. If we elect to exercise our right under this Section 15.6, we shall have the right to set off all amounts due from you, and one-half (½) of the cost of the appraisal, if any, against any payment to the seller.

15.7 Death of a Principal

Upon the death of a Principal, the deceased's executor, administrator, or other personal representative shall transfer the deceased's interest to a third party approved by us within twelve (12) months after the death. If no personal representative is designated or appointed or no probate proceedings are instituted with respect to the deceased's estate, then the distributee of such interest must be approved by us. If the distributee is not approved by us, then the distributee shall transfer the deceased's interest to a third party approved by us within twelve (12) months after the deceased's death in compliance with this Section 15.

15.8 Permanent Disability of Controlling Principal

Upon the permanent disability of any Principal with a controlling interest in you, we shall have the right to require such interest to be transferred to a third party in accordance with the conditions described in this Section 15 within six (6) months after notice to you. "**Permanent Disability**" shall mean any physical, emotional, or mental injury, illness, or incapacity that would prevent a person from performing the obligations set forth in this Agreement for at least six (6) consecutive months and from which condition recovery within six (6) consecutive months from the date of determination of disability is unlikely. Permanent disability shall be determined by a licensed practicing physician selected by us upon examination of such person or, if such person refuses to be examined, then such person shall automatically be deemed permanently disabled for the purposes of this Section 15.8 as of the date of refusal. We shall pay the cost of the required examination.

15.9 Operation in the Event of Absence or Disability

In order to prevent any interruption of the Franchised Restaurant operations which would cause harm to the Franchised Restaurant, thereby depreciating the value thereof, you authorize us, who may, at our option, in the event that you are absent for any reason or are incapacitated by reason of illness and are unable, in our sole and reasonable judgment, to operate the Franchised Restaurant, operate the Franchised Restaurant for so long as we deem necessary and practical, and without waiver of any other rights or remedies we may have under this Agreement. All monies from the operation of the Franchised Restaurant during such period of operation by us shall be kept in a separate account, the expenses of the Franchised Restaurant, including reasonable compensation and expenses for our representative, shall be charged to said account. If, as herein provided, we temporarily operate the Franchised Restaurant franchised herein for you, you agree to indemnify and hold harmless us and any representative of ours who may act hereunder, from any and all acts which we may perform, as regards the interests of you or third parties.

15.10 Step-In Rights

If we determine in our sole judgment that the operation of your Restaurant is in jeopardy, or if a default occurs, then in order to prevent an interruption of the Restaurant which would cause harm to the System and thereby lessen its value, you authorize us to operate your Restaurant for as long as we deem necessary and practical, and without waiver of any other rights or remedies which we may have under this Agreement. In our sole judgment, we may deem you incapable of operating the Restaurant if, without limitation, you are absent or incapacitated by reason of illness or death; you have failed to pay when due or have failed to remove any and all liens or encumbrances of every kind placed upon or against the Restaurant; or we determine that operational problems require that we operate your Restaurant for a period of time that we determine, in our sole discretion, to be necessary to maintain the operation of the Restaurant as a going concern.

We shall keep in a separate account all monies generated by the operation of your Restaurant, less the expenses of the Restaurant, including reasonable compensation and expenses for our representatives.

In the event of our exercise of the Step-In Rights**,** you agree to hold harmless us and our representatives for all actions occurring during the course of such temporary operation. You agree to pay all of our reasonable attorneys' fees and costs incurred as a consequence of our exercise of the Step-In Rights. Nothing contained herein shall prevent us from exercising any other right which we may have under this Agreement, including, without limitation, termination.

15.11 Notice to Us of Death or Permanent Disability

Upon the death or permanent disability any Principal of yours, such person or his representative shall promptly notify us of such death or claim of permanent disability. Any transfer upon death or permanent disability shall be subject to the same terms and conditions as any *inter vivos* transfer.

15.12 Limited Exceptions

Notwithstanding anything to the contrary in this Section 15:

15.12.1 You shall not be required to pay the transfer fee due under Section 15.3.10 above, if the transferee: (a) is a spouse, domestic partner, parent, or direct lineal descendant or sibling of yours or of a Principal of yours (or more than one of such persons), provided that the transferee has been involved in, and is knowledgeable regarding, the operations of the Franchised Restaurant; (b) is a Principal of yours; or (c); is a transferee under Sections 15.7 or 15.8 above.

15.12.2 If you are comprised of one (1) or more individuals and seek to transfer this Agreement to a corporation, partnership, or limited liability company formed for the convenience of ownership, the conditions of Sections 15.3.6 (signing a new franchise agreement), 15.3.7 (upgrading the Franchised Restaurant), and 15.3.10 (transfer fee) shall not apply, and you may undertake such transfer, provided that such individuals own one hundred percent (100%) of the equity interest in the transferee entity in the proportions such individuals owned individually, and each individual personally guarantees, in a written guaranty satisfactory to us, the performance of your obligations under this Agreement. A transfer pursuant to this Section 15.12.2 may occur one (1) time only without payment of the transfer fee.

15.13 No Waiver

Our consent to any transfer pursuant to this Section 15 shall not constitute a waiver of any claims we may have against the transferring party, nor shall it be a waiver of our right to demand exact compliance with any of the terms of this Agreement by the transferor or transferee.

15.14 Bankruptcy

If you or any person holding any interest (direct or indirect) in you becomes a debtor in a proceeding under the U.S. Bankruptcy Code or any similar law in the United States or elsewhere, it is the parties' understanding and agreement that any transfer of the ownership of you, your obligations and/or rights hereunder and/or any material assets of yours shall be subject to all of the terms of this Section 15.

15.15 No Transfers in Violation of Law

Notwithstanding anything to the contrary in this Agreement, no transfer shall be made if the transferee, any of its affiliates, or the funding sources for either is a person or entity designated with whom we, or any of our affiliates, are prohibited by law from transacting business.

16. DEFAULT AND TERMINATION

16.1 Automatic Termination

You shall be in default under this Agreement, and all rights granted to you herein shall automatically terminate without notice to you, if you, or any of your partners, if you are a partnership, or any of your officers, directors, shareholders, or members, if you are a corporation or limited liability company, shall become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; if you are adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver or other custodian for you or your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless a *supersedeas* bond is filed); if you are dissolved; if execution is levied against your business or property; if suit to foreclose any lien or mortgage against the Premises or equipment is instituted against you and not dismissed within thirty (30) days; or if the real or personal property of the Franchised Restaurant shall be sold after levy thereupon by any sheriff, marshal, or constable.

16.2 Termination Upon Notice

You shall be deemed to be in default and we may, at our option, terminate this Agreement and all rights granted hereunder, without affording you any opportunity to cure the default, effective immediately upon the provision of notice to you (in the manner provided under Section 24 hereof), upon the occurrence of any of the following events of default:

16.2.1 If you fail to complete all pre-opening obligations, including, but not limited to spending the required amount on Grand Opening Advertising Program, and to open the Franchised Restaurant within the time limits as provided in Section 5.4 above;

16.2.2 If you or any of your Principals are convicted of a felony, a crime involving moral turpitude, or any other crime or offense that we believe is reasonably likely to have an adverse effect on the System, the Proprietary Marks, the Products, the goodwill associated therewith, or our interest therein;

16.2.3 If a threat or danger to public health or safety results from the construction, maintenance, or operation of the Franchised Restaurant;

16.2.4 If your action or inaction, at any time, results in the loss of the right to possession of the Premises, or forfeiture of the right to do or transact business in the jurisdiction where the Franchised Restaurant is located;

16.2.5 If you or any Principal purports to transfer any rights or obligations under this Agreement or any interest to any third party in a manner that is contrary to the terms of Section 15 hereof;

16.2.6 If you knowingly maintain false books or records, or knowingly submit any false statements or reports to us;

16.2.7 If, contrary to the terms of Sections 9 or 10 hereof, you disclose or divulge the contents of the Manual or other confidential information provided to you by us;

16.2.8 If you fail to comply with the covenants in Section 18.2 below or fail to timely obtain execution of the covenants required under Section 18.5 below;

16.2.9 If you misuse or make any unauthorized use of the Proprietary Marks or any other identifying characteristics of the System, fail to follow our System branding, uniform policy, or advertising procedures, or if you otherwise operate the Franchised Restaurant in a manner that materially impairs the reputation or goodwill associated with the System, Proprietary Marks, Products, or our rights therein;

16.2.10 If you, after curing a default pursuant to Sections 16.3 or 16.4 hereof, commit the same default again, whether or not cured after notice.

16.2.11 If you commit three (3) or more defaults under this Agreement in any twelve (12) month period, whether or not each such default has been cured after notice (this provision in no way limits Section 16.2.10 above);

16.2.12 If you at any time cease to operate or otherwise abandon the Franchised Restaurant for a period of three (3) consecutive days unless such closure is approved in writing by us, or excused by *force majeure*;

16.2.13 If you breach any material provision of this Agreement which breach is not susceptible to cure; or

16.2.14 If you fail to comply with all applicable laws and ordinances relating to the Restaurant, including Anti-Terrorism Laws, or if your or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your owners otherwise violate any such law, ordinance, or regulation.

16.3 Notice and Opportunity to Cure – 7 Days

Upon the occurrence of any of the following events of default, we may, at our option, terminate this Agreement by giving written notice of termination (in the manner set forth under Section 24 hereof) stating the nature of the default to you at least seven (7) days prior to the effective date of termination; provided, however, that you may avoid termination by immediately initiating a remedy to cure such default, curing it to our satisfaction, and by promptly providing proof thereof to us within the seven (7) day period. If any such default is not cured within the specified time, or such longer period as applicable law may require, this Agreement shall terminate without further notice to you, effective immediately upon the expiration of the seven (7) day period or such longer period as applicable law may require.

16.3.1 If you fail, refuse, or neglect promptly to pay any monies owing to us or our affiliates when due;

16.3.2 If you refuse to permit us to inspect the Premises, or your books, records, or accounts upon demand; or

16.3.3 If you fail to operate the Franchised Restaurant during such days and hours specified in the Manual, subject to local laws (this provision in no way limits Section 16.2.12).

16.4 Notice and Opportunity to Cure – 30 Days

Except as otherwise provided in Sections 16.1, 16.2 and 16.3 of this Agreement, upon any other default by you, we may terminate this Agreement by giving written notice of termination (in the manner set forth under Section 24 hereof) stating the nature of the default to you at least thirty (30) days prior to the effective date of termination; provided, however, that you may avoid termination by immediately initiating a remedy to cure such default, curing it to our satisfaction, and by promptly providing proof thereof to us within the thirty (30) day period. If any such default is not cured within the specified time, or such longer period as applicable law may require, this Agreement shall terminate without further notice to you, effective immediately upon the expiration of the thirty (30) day period or such longer period as applicable law may require.

16.5 Cross Default, Non-Exclusive Remedies, Etc.

Any default by you (or any person/company affiliated with you) under this Agreement may be regarded as a default under any other agreement between us (or any of our affiliates) and you (or any of your affiliates). Any default by you (or any person/company affiliated with you) under any other agreement, including, but not limited to, any lease and/or sublease, between us (or any of our affiliates) and you (or any person/company affiliated with you), and any default by you (or any person/company affiliated with you) under any obligation to us (or any of our affiliates) may be regarded as a default under this Agreement. Any default by you (or any person/company affiliated with you) under any lease, sublease, loan agreement, security interest or otherwise, whether with us, any of our affiliates and/or any third party may be regarded as a default under this Agreement and/or any other agreement between us (or any of our affiliates) and you (or any of your affiliates).

In each of the foregoing cases, we (and any of our affiliates) will have all remedies allowed at law, including termination of your rights (and/or those of any person/company affiliated with you) and our (and/or our affiliates') obligations. No right or remedy which we may have (including termination) is exclusive of any other right or remedy provided under law or equity and we may pursue any rights and/or remedies available.

16.6 Our Right to Discontinue Services to You

If you are in breach of any obligation under this Agreement, and we deliver to you a notice of termination pursuant to this Section 16, we have the right to suspend our performance of any of our obligations under this Agreement including, without limitation, the sale or supply of any services or products for which we are an approved supplier to you and/or suspension of your "click through" subpage on our website, until such time as you correct the breach.

16.7 Amendment Pursuant to Applicable Law

Notwithstanding anything to the contrary contained in this Article, if any valid, applicable law or regulation of a competent governmental authority having jurisdiction over this franchise and the parties hereto shall limit our rights of termination under this Agreement or shall require longer notice periods than those set forth above, this Agreement is deemed amended to satisfy the minimum notice periods or restrictions upon such termination required by such laws and regulations; provided, however, that such constructive amendment shall not be deemed a concession by us that the grounds for termination set forth in this Agreement do not constitute "good cause" for termination within the meaning ascribed to that term by any applicable law or regulation. We shall not be precluded from contesting the validity, enforceability or application of such laws or regulations in any action, hearing or proceeding relating to this Agreement or the termination of this Agreement.

17. OBLIGATIONS UPON TERMINATION OR EXPIRATION

Upon termination or expiration of this Agreement, all rights granted hereunder to you shall terminate, and:

17.1 Stop Operating

You shall immediately cease to operate the Franchised Restaurant, and shall not thereafter, directly or indirectly, represent to the public or hold yourself out as a present or former operator of ours in connection with the promotion or operation of any other business.

17.2 Stop Using the System

You shall immediately and permanently cease to use, in any manner whatsoever, any confidential methods, procedures, and techniques associated with the System; the Proprietary Mark "DosBros®" and all other Proprietary Marks and distinctive forms, slogans, signs, symbols, and devices associated with the System. In particular, you shall cease to use all signs, marketing materials, displays, stationery, forms, products, and any other articles which display the Proprietary Marks.

17.3 Cancel Assumed Names

You shall take such action as may be necessary to cancel any assumed name registration or equivalent registration obtained by you which contains the mark "DosBros®" or any other Proprietary Marks, and you shall furnish us with evidence satisfactory to us of compliance with this obligation within five (5) days after termination or expiration of this Agreement.

17.4 The Premises

You shall, at our option, assign to us any interest which you have in any lease or sublease for the Premises. In the event we do not elect to exercise our option to acquire the lease or sublease for the Premises, you shall make such modifications or alterations to the Premises immediately upon termination or expiration of this Agreement as may be necessary to distinguish the appearance of the Premises from that of DosBros® Restaurants under the System, and shall make such specific additional changes thereto as we may reasonably request for that purpose. In the event you fail or refuse to comply with the requirements of this Section 17.4, we shall have the right to enter upon the Premises, without being guilty of trespass or any other tort, for the purpose of making or causing to be made such changes as may be required, at your expense, which expense you agree to pay upon demand. Additionally, if we do not elect to exercise the option to acquire the lease/sublease, you shall comply with Section 18.3 below regarding a Competitive Business (as defined in Section 18.2.3 below).

17.5 Websites, Phone Numbers and Listings

In addition, you shall cease use of all telephone numbers and any domain names, websites, e-mail addresses, and any other identifiers, whether or not authorized by us, used by you while operating the Franchised Restaurant, and shall promptly execute such documents or take such steps necessary to remove reference to the Franchised Restaurant from all trade or business telephone directories, including "yellow" and "white" pages, or at our request transfer same to us. You hereby authorize us to instruct issuers of any telephone and internet domain name services and other providers to transfer any such telephone numbers, domain names, websites, addresses, and any other identifiers to us upon termination of this Agreement, without need for any further approval from you. Without limiting the foregoing, if requested by us, you shall provide, during the term or upon termination of this Agreement, written confirmation of our rights under this Section 17.5 including, but not limited to, the forms of Internet Websites and Listings Agreement and Telephone Listing Agreement attached hereto as Exhibit I, which we may request that you execute contemporaneously with this Agreement, at any time during the term of this Agreement, or upon expiration or termination of this Agreement. You agree that you shall sign such documents and do such things (without cost to you) that may be reasonably requested by us in order to implement this Section 17.5.

17.6 No Use of Proprietary Marks or Trade Dress in other Businesses

You agree, in the event you continue to operate or subsequently begin to operate any other business, not to use any reproduction, counterfeit, copy, or colorable imitation of the Proprietary Marks, either in connection with such other business or the promotion thereof, which, in our sole discretion, is likely to cause confusion, mistake, or deception, or which, in our sole discretion, is likely to dilute our rights in and to the Proprietary Marks. You further agree not to utilize any designation of origin, description, or representation (including but not limited to reference to us, the System, or the Proprietary Marks) which, in our sole discretion, suggests or represents a present or former association or connection with us, the System, or the Proprietary Marks.

17.7 Pay All Amounts Due

You shall promptly pay all sums owing to us and our affiliates. In the event of termination for any default of yours, such sums shall include all damages, costs, and expenses, including reasonable attorneys' fees, incurred by us as a result of the default and termination, which obligation shall give rise to and remain, until paid in full, a lien in our favor against any and all of the personal property, furnishings, equipment, signs, fixtures, and inventory owned by you and on the Premises at the time of default.

17.8 Return of Manual and Confidential Information

You shall, at your own expense, immediately deliver to us the Manual and all other records, computer disks, correspondence, and instructions containing confidential information relating to the operation of the Franchised Restaurant (and any copies thereof, even if such copies were made in violation of this Agreement), all of which are acknowledged to be our property.

17.9 Our Option to Purchase Certain Assets

We shall have the option, to be exercised within thirty (30) days after termination, to purchase from you any or all of your furnishings, equipment, signs, fixtures, supplies, or inventory related to the operation of the Franchised Restaurant, at the lesser of your cost or fair market value. The cost for such items shall be determined based upon a five (5) year straight-line depreciation of original costs. For equipment that is five (5) or more years old, the parties agree that fair market value shall be deemed to be ten percent (10%) of the equipment's original cost. If we elect to exercise any option to purchase herein provided, we shall have the right to set off all amounts due from you.

17.10 Comply with Covenants

You and your Principals shall comply with the covenants contained in Section 18.3 of this Agreement.

17.11 Liquidated Damages

Upon termination of this Agreement for cause according to its terms and conditions, you agree to pay to us within fifteen (15) days after the effective date of this Agreement's termination, in addition to the amounts owed hereunder, liquidated damages equal to the average monthly Royalty Fees you paid during the twelve (12) months of operation preceding the effective date of termination multiplied by (a) twenty-four (24) (being the number of months in two (2) full years), or (b) the number of months remaining in the Agreement had it not been terminated, whichever is lower.

The parties hereto acknowledge and agree that it would be impracticable to determine precisely the damages we would incur from this Agreement's termination and the loss of cash flow from Royalty Fees due to, among other things, the complications of determining what costs, if any, we might have saved and how much the Royalty Fees would have grown over what would have been this Agreement's remaining term. The parties hereto consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages.

The liquidated damages provision only covers our damages from the loss of cash flow from the Royalty Fees. It does not cover any other damages, including damages to our reputation with the public and landlords and damages arising from a violation of any provision of this Agreement other than the Royalty Fee section. You and each of your owners agree that the liquidated damages provision does not give us an adequate remedy at law for any default under, or for the enforcement of, any provision of this Agreement other than the Royalty Fee section.

18. COVENANTS

18.1 Full Time and Best Efforts

You covenant that, during the term of this Agreement, except as otherwise approved in writing by us, you (or, if you are not an individual, the Designated Principal) or your fully trained General Manager shall devote full time and best efforts to the management and operation of the Franchised Restaurant.

18.2 During the Agreement Term

You specifically acknowledge that, pursuant to this Agreement, you will receive valuable, specialized training and confidential information, including information regarding the operational, sales, promotional, and marketing methods and techniques of us and the System. You covenant that during the term of this Agreement, except as otherwise approved in writing by us, you shall not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or legal entity:

18.2.1 Divert or attempt to divert any present or prospective business or customer of any DosBros® Restaurant to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System;

18.2.2 Employ or seek to employ any person who is at that time employed by us or by any other franchisee of ours, or otherwise encourage such person to leave his or her employment; or

18.2.3 Own, maintain, operate, engage in, be employed by, provide any assistance to, or have any more than a one percent (1%) interest in (as owner or otherwise) any Competitive Business. A "**Competitive Business**" shall be considered to be retail food businesses that offers the same or substantially similar menu offerings as those offered by a DosBros® Restaurant. Furthermore, you acknowledge and agree that you shall be considered in default under this Agreement and that this Agreement will be subject to termination as provided in Section 16.2.8 herein, in the event that a person in your immediate family, including spouse, domestic partner, parent or child (or, if you are other than an individual, each Principal that is subject to these covenants), engages in a Competitive Business that would violate this Section 18.2.3 if such person was subject to the covenants of this Section 18.2.3.

18.3 After the Agreement and After a Transfer

You covenant that, except as otherwise approved in writing by us, for a continuous uninterrupted period of two (2) years commencing upon the date of: (a) a transfer permitted under Section 15 of this Agreement; (b) expiration of this Agreement; (c) termination of this Agreement (regardless of the cause for termination); (d) a final order of a duly authorized arbitrator, panel of arbitrators, or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to enforcement of this Section 18.3; or (e) any or all of the foregoing:

18.3.1 You shall not either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or legal entity, own, maintain, operate, engage in, be employed by, provide assistance to, or have any interest in (as owner or otherwise) any Competitive Business that is, or is intended to be, located at the Approved Location, within the Designated Territory, or within a radius of twenty (20) miles of any other DosBros® Restaurant located anywhere; provided, however, that this provision shall not apply to the operation by you of any business under the System under a franchise agreement with us; or

18.3.2 You shall not sublease, assign, or sell your interest in any lease, sublease, or ownership of the Premises or assets of the Franchised Restaurant to a third party for the operation of a Competitive Business, or otherwise arrange or assist in arranging for the operation by a third party of a Competitive Business.

18.4 Exception for Ownership in Public Entities

Sections 18.2.3 and 18.3 shall not apply to your ownership of a less than five percent (5%) beneficial interest in the outstanding equity securities of any company which has securities registered under the Securities Exchange Act of 1934.

18.5 Personal Covenants

At our request, you shall obtain and furnish to us executed covenants similar in substance to those set forth in this Section 18 (including covenants applicable upon the termination of a person's relationship with you) and the provisions of Sections 10 and 15 of this Agreement (as modified to apply to an individual) from any or all of the following persons: (a) the Designated Principal, (b) all managers and other personnel employed by you who have received or will receive training and/or other confidential information; (c) all officers, directors, and Principals who have or will receive training or access to confidential information, or who are or may be involved in the management and operation of the Franchised Restaurant. Every covenant required by this Section 18.5 shall be in a form approved by us, including specific identification of us as a third-party beneficiary of such covenants with the independent right to enforce them.

18.6 Covenants as Independent Clauses

The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 18 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which we are a party, you expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 18.

18.7 Our Right to Reduce Scope of the Covenants

You understand and acknowledge that we shall have the right, in our sole discretion, to reduce the scope of any covenant set forth in this Section 18, or any portion thereof, without your consent, effective immediately upon receipt by you of written notice thereof; and you agree that you shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 25 hereof.

18.8 Covenants Survive Claims

You expressly agree that the existence of any claims you may have against us, whether or not arising from this Agreement, shall not constitute a defense to our enforcement of the covenants in this Section 18; provided, however, any claims you may have against us may be brought in a separate proceeding. You agree to pay all costs and expenses (including reasonable attorneys' fees) incurred by us in connection with the enforcement of this Section 18.

19. CORPORATE, LIMITED LIABILITY COMPANY, OR PARTNERSHIP FRANCHISEE

19.1 List of Principals

If you are a corporation, limited liability company, or partnership, each Principal of yours, and the interest of each Principal in you, shall be identified in Exhibit C hereto. You shall maintain a list of all Principals and immediately furnish us with an update to the information contained in Exhibit C upon any change, which shall be made only in compliance with Section 15 above. At least one of your Principals must be an operating principal.

19.2 Guaranties

Such Principals as we may request shall execute a guaranty, indemnification, and acknowledgment of your obligations under this Agreement in the form attached hereto as Exhibit E.

19.3 Corporations and Limited Liability Companies

If you are a corporation or limited liability company, you shall comply with the following requirements:

19.3.1 You shall be newly organized and your governing documents shall at all times provide that your activities are confined exclusively to operating the Franchised Restaurant. You shall not use the Proprietary Marks as part of your corporate or other legal name.

19.3.2 You shall, upon our request, promptly furnish to us copies of your articles of incorporation, bylaws, articles of organization, operating agreement and/or other governing documents, and any amendments thereto, including the resolution of the Board of Directors or members authorizing entry into this Agreement.

19.3.3 You shall maintain stop-transfer instructions against the transfer on your records of any equity securities; and each stock certificate or issued securities of you shall conspicuously endorse upon its face a statement, in a form satisfactory to us, which references the transfer restrictions imposed by this Agreement; provided, however, that the requirements of this Section 19.3.3 shall not apply to a publicly held corporation.

19.4 Partnerships and Limited Liability Partnerships

If you are or any successor to or assignee of yours is a partnership or limited liability partnership, you shall comply with the following requirements:

19.4.1 You shall be newly organized and your partnership agreement shall at all times provide that your activities are confined exclusively to operating the Franchised Restaurant. You shall not use the Proprietary Marks as part of your partnership or other legal name.

19.4.2 You shall furnish us with a copy of your partnership agreement as well as such other documents as we may reasonably request, and any amendments thereto.

19.4.3 The partners of the partnership shall not, without our prior written consent, admit additional general partners, remove a general partner, or otherwise materially alter the powers of any general partner.

20. TAXES, PERMITS, AND INDEBTEDNESS

20.1 Taxes

You shall promptly pay when due all Taxes (as defined below), levied or assessed, and all accounts and other indebtedness of every kind incurred by you in the conduct of the Franchised Restaurant under this Agreement. Without limiting the indemnification provisions of Article 21, you shall be solely liable for the payment of all Taxes and shall indemnify us for the full amount of all such Taxes and for any liability (including penalties, interest and expenses) arising from or concerning the payment of Taxes, whether such Taxes were correctly or legally asserted or not. You shall submit a copy of all tax filings sent to federal, state and local tax authorities to us within ten (10) business days after such filing has been made with the appropriate taxing authority.

The term “Taxes” means any present or future taxes, levies, imposts, duties or other charges of whatever nature, including any interest or penalties thereon, imposed by any government or political subdivision of such government on or relating to the operation of the Franchised Restaurant, the payment of monies, taxes imposed on the Royalty Fees paid to us, or the exercise of rights granted pursuant to this Agreement, whether imposed upon you or us.

20.2 Dispute About Taxes

In the event of any *bona fide* dispute as to your liability for taxes assessed or other indebtedness, you may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law, but in no event shall you permit a tax sale or seizure by levy or execution or similar writ or warrant, or attachment by a creditor, to occur against the Premises of the Franchised Restaurant, or any improvements thereon.

20.3 Compliance with Tax Laws

You shall comply with all federal, state, and local laws, rules, and regulations, and shall timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of the Franchised Restaurant, including licenses to do business, fictitious name registrations, sales tax permits, liquor licenses, and fire clearances.

21. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

21.1 No Fiduciary Relationship

You are an independent contractor. We and you are completely separate entities and are not fiduciaries, partners, joint venturers, or agents of the other in any sense and neither shall have the power to bind the other. No act or assistance given by either party to the other pursuant to this Agreement shall be construed to alter the relationship. You shall be solely responsible for compliance with all federal, state, and local laws, rules and regulations, and for your policies, practices, and decisions relating to the operation of the Franchised Restaurant.

21.2 Public Notice

During the term of this Agreement, You shall hold yourself out to the public as an independent contractor operating the Franchised Restaurant pursuant to a franchise agreement from us. You agree to take such action as may be necessary to do so, including exhibiting a notice of that fact in a conspicuous place at the Premises, the content of which we reserve the right to specify.

21.3 No Assumption of Liability

Nothing in this Agreement authorizes you to make any contract, agreement, warranty, or representation on our behalf, or to incur any debt or other obligation in our name; and we shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action; nor shall we be liable by reason of any act or omission of yours in your operation of the Franchised Restaurant or for any claim or judgment arising therefrom against you or us.

21.4 Indemnification

You shall indemnify and hold us, our owners and affiliates, and our and their respective officers, directors, and employees (the "**Indemnitees**") harmless against any and all causes of action, claims, losses, costs, expenses, liabilities, litigation, damages or other expenses (including, but not limited to, settlement costs and attorneys' fees) arising directly or indirectly from, as a result of, or in connection with the operation of the Franchised Restaurant and/or your conduct under this Agreement (notwithstanding any claims that the Indemnitees are or were negligent). You agree that with respect to any threatened or actual litigation, proceeding or dispute which could directly or indirectly affect any of the Indemnitees, the Indemnitees shall have the right, but not the obligation, in their discretion, to: (i) choose counsel, (ii) direct, manage and/or control the handling of the matter; and (iii) settle on behalf of the Indemnitees, and/or you, any claim against the Indemnitees. All vouchers, canceled checks, receipts, receipted bills or other evidence of payments for any such losses, liabilities, costs, damages, charges or expenses of whatsoever nature incurred by any Indemnitee shall be taken as *prima facie* evidence of your obligation hereunder.

22. APPROVALS AND WAIVERS

22.1 Approval Requests

Whenever this Agreement requires our prior authorization, approval or consent, you shall make a timely written request to us therefor, and such approval or consent must be obtained in writing.

22.2 Non-waiver

No failure of ours to exercise any power reserved to us hereunder, or to insist upon strict compliance by you with any obligation or condition hereunder, and no custom or practice of the parties in variance with the terms hereof, shall constitute a waiver of our right to demand exact compliance with the terms hereof. Our waiver of any particular default by you shall not be binding unless in writing and executed by the party sought to be charged and shall not affect or impair our right with respect to any subsequent default of the same or of a different nature; nor shall any delay, waiver, forbearance, or omission of ours to exercise any power or rights arising out of any breach or default by you of any of the terms, provisions, or covenants hereof, affect or impair our rights nor shall such constitute our waiver of any right hereunder or of the right to declare any subsequent breach or default. Subsequent acceptance by us of any payment(s) due to us hereunder shall not be deemed to be a waiver by us of any preceding breach by you of any terms, covenants or conditions of this Agreement.

23. YOUR WARRANTIES

23.1 Reliance by Us

We entered into this Agreement in reliance upon the statements and information submitted to us by you in connection with this Agreement. You represent and warrant that all such statements and information submitted by you in connection with this Agreement are true, correct and complete in all material respects. You agree to promptly advise us of any material changes in the information or statements submitted.

23.2 Compliance with Laws

You represent and warrant to us that neither you (including, without limitation, any and all of your employees, directors, officers and other representatives), nor any of your affiliates or the funding sources for either is a person or entity designated with whom we, or any of our affiliates, are prohibited by law from transacting business.

24. NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered, sent by registered mail, or by other means which affords the sender evidence of delivery, or of rejected delivery, to the respective parties at the addresses shown on the signature page of this Agreement, unless and until a different address has been designated by written notice to the other party. Any notice by a means which affords the sender evidence of delivery, or rejected delivery, shall be deemed to have been given at the date and time of receipt or rejected delivery.

25. ENTIRE AGREEMENT

This Agreement, the attachments hereto, and the documents referred to herein constitute the entire Agreement between us and you concerning the subject matter hereof, and supersede any prior agreements, no other representations having induced you to execute this Agreement; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by us in the Disclosure Document that was furnished to you by us. Except for those permitted to be made unilaterally by us hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

26. SEVERABILITY AND CONSTRUCTION

26.1 Severable Parts

Except as expressly provided to the contrary herein, each portion, section, part, term, and/or provision of this Agreement shall be considered severable; and if, for any reason, any section, part, term, and/or provision herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms, and/or provisions of this Agreement as may remain otherwise intelligible; and the latter shall continue to be given full force and effect and bind the parties hereto; and said invalid portions, sections, parts, terms, and/or provisions shall be deemed not to be a part of this Agreement.

26.2 Terms Surviving this Agreement

Any provision or covenant in this Agreement which expressly or by its nature imposes obligations beyond the expiration, termination or assignment of this Agreement (regardless of cause for termination), or assignment shall survive such expiration, termination.

26.3 No Rights on Third Parties

Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than you, us, our officers, directors, shareholders, agents, and employees, and such successors and assigns of ours as may be contemplated by Section 15 hereof, any rights or remedies under or by reason of this Agreement.

26.4 Full Scope of Terms

You expressly agree to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court or agency having valid jurisdiction may hold to be unreasonable and unenforceable in an unappealed final decision to which we are a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court or agency order.

26.5 Our Application of Our Rights

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

Agreement grants us the right to make decisions, take actions and/or refrain from taking actions not inconsistent with your rights and obligations hereunder.

26.6 Captions Only for Convenience

All captions in this Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

27. APPLICABLE LAW AND DISPUTE RESOLUTION

27.1 Governing Law

This Agreement takes effect upon its acceptance and execution by us, and shall be interpreted and construed under the laws of the State of Tennessee. In the event of any conflict of law, the laws of Tennessee shall prevail, without regard to, and without giving effect to, the application of Tennessee conflict of law rules. Nothing in this Section 27.1 is intended by the parties to subject this Agreement to any franchise or similar law, rule, or regulation of the State of Tennessee or of any other state to which it would not otherwise be subject.

27.2 Arbitration

Except to the extent we elect to enforce the provisions of this Agreement by judicial process and injunction in our sole discretion, all disputes, claims and controversies between the parties arising under or in connection with this Agreement or the making, performance or interpretation thereof (including claims of fraud in the inducement and other claims of fraud and the arbitrability of any matter) which have not been settled through negotiation will be settled by binding arbitration within five (5) miles of our then-current headquarters under the authority of the statutes of the state where our headquarters are located (the "**Statutes**"). The arbitrator(s) will have a minimum of five (5) years of experience in franchising or distribution law and will have the right to award specific performance of this Agreement. If the parties cannot agree upon a mutually agreeable arbitrator, then the arbitration shall be conducted as per the selection method set forth in the Statutes. The proceedings will be conducted under the commercial arbitration rules of the American Arbitration Association, to the extent such rules are not inconsistent with the provisions of this arbitration provision or the Statutes. The decision of the arbitrator(s) will be final and binding on all parties. This Section will survive termination or non-renewal of this Agreement under any circumstances. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction thereof. During the pendency of any arbitration proceeding, you and we shall fully perform our respective obligations under this Agreement.

We and you agree that arbitration will be conducted on an individual, not a class-wide, basis and that an arbitration proceeding between us and our affiliates, and our and their respective shareholders, officers, directors, agents, and/or employees, and you (and/or your owners, guarantors, affiliates, and/or employees) may not be consolidated with any other arbitration proceeding between us and any other person.

The provisions of this Section are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.

27.3 No Rights Exclusive of Other Rights

No right or remedy conferred upon or reserved to us or you by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy provided herein or permitted by law or equity, but each shall be cumulative of every other right or remedy.

27.4 Venue

With respect to any claims, controversies or disputes which are not finally resolved through mediation or arbitration, or as otherwise provided above, you and the Principals hereby irrevocably submit themselves to the jurisdiction of the state courts of the county where we maintain our headquarters and the Federal District Court nearest to our headquarters. You and the Principals hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision. You and the Principals hereby agree that service of process may be made upon any of them in any proceeding relating to or arising out of this Agreement or the relationship created by this Agreement by any means allowed by Tennessee or federal law. You and the Principals further agree that venue for any proceeding relating to or arising out of this Agreement shall be Bradley County, Tennessee; provided, however, with respect to any action (1) for monies owed, (2) for injunctive or other extraordinary relief or (3) involving possession or disposition of, or other relief relating to, real property, we may bring such action in any State or Federal District Court which has jurisdiction. With respect to all claims, controversies, disputes or actions, related to this Agreement or the relationship created thereby, this Agreement and any such related claims, controversies, disputes or actions shall be governed, enforced and interpreted under Tennessee law.

27.5 Waiver of Jury Trial

We and you irrevocably waive trial by jury in any action, proceeding, or counterclaim, whether at law or in equity, brought by either of them against the other. Any and all claims and actions arising out of or relating to this Agreement, our relationship, or your operation of the Franchised Restaurant, brought by either party hereto against the other shall be commenced within two (2) years from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be barred.

27.6 Waiver of Punitive Damages

We and you hereby waive to the fullest extent permitted by law any right to or claim of any punitive or exemplary damages against the other.

27.7 Injunctive Relief

Nothing herein contained shall bar our right to obtain injunctive relief against threatened conduct that will cause us loss or damages, including violations of the terms of Sections 9, 10, 11, 15, and 18 under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

27.8 Costs and Legal Fees

If we are required to enforce this Agreement in a judicial or arbitration proceeding, you shall reimburse us for our costs and expenses, including, without limitation, reasonable accountants', attorneys', attorney assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection with any failure by you to comply with this Agreement, you shall reimburse us for any of the above-listed costs and expenses incurred by us.

28. YOUR ACKNOWLEDGMENTS

28.1 Your Investigation of the Business Possibilities

You acknowledge that you have conducted an independent investigation of the business of operating a DosBros® Restaurant, and recognize that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent upon your ability (or, if you are a corporation, partnership or limited liability company, the ability of your principals) as (an) independent businessperson(s). We expressly disclaim the making of, and you acknowledge that you have not received, any warranty or guarantee, express or implied, as to the potential volume, profits, or success of the business venture contemplated by this Agreement.

28.2 Receipt of Disclosure Document

You acknowledge that you received the disclosure document required by the Trade Regulation Rule of the Federal Trade Commission at least fourteen (14) calendar days prior to the date on which this Agreement was executed or any payment by you for the franchise rights granted under this Agreement to us or our affiliates.

28.3 You Have Read the Agreement and Consulted

You acknowledge that you have read and understood this Agreement, the attachments hereto, and agreements relating thereto, if any, and that we have accorded you ample time and opportunity to consult with advisors of your own choosing about the potential benefits and risks of entering into this Agreement.

28.4 Your Responsibility for Operation of Business

Although we retain the right to establish and periodically modify System standards, which you have agreed to maintain in the operation of the Franchised Restaurant, you retain the right and sole responsibility for the day-to-day management and operation of the Franchised Restaurant and the implementation and maintenance of System standards at the Franchised Restaurant.

28.5 No Conflicting Obligations

Each party represents and warrants to the others that there are no other agreements, court orders, or any other legal obligations that would preclude or in any manner restrict such party from: (a) negotiating and entering into this Agreement; (b) exercising its rights under this Agreement; and/or (c) fulfilling its responsibilities under this Agreement.

28.6 Different Franchise Offerings to Others

You acknowledge and agree that we may modify the offer of our franchises to other franchisees in any manner and at any time, which offers and agreements have or may have terms, conditions, and obligations that may differ from the terms, conditions, and obligations in this Agreement.

28.7 Success Depends on You

You acknowledge that the success of the business venture contemplated under this Agreement is speculative and depends, to a large extent, upon your ability as an independent businessperson, your active participation in the daily affairs of the business, market conditions, area competition, availability of product, quality of services provided as well as other factors. We do not make any representation or warranty express or implied as to the potential success of the business venture contemplated hereby.

28.8 No Guarantees

We expressly disclaim the making of, and you acknowledge that you have not received nor relied upon, any warranty or guaranty, express or implied, as to the revenues, profits or success of the business venture contemplated by this Agreement.

29. SECURITY INTEREST

29.1 Collateral

You grant to us a security interest ("Security Interest") in all of the furniture, fixtures, equipment, signage, and realty (including your interests under all real property and personal property leases) of the Franchised Restaurant, together with all similar property now owned or hereafter acquired, additions, substitutions, replacements, proceeds, and products thereof, wherever located, used in connection with the Franchised Restaurant. All items in which a security interest is granted are referred to as the "Collateral".

29.2 Indebtedness Secured

The Security Interest is to secure payment of the following (the "Indebtedness"):

29.2.1 All amounts due under this Agreement or otherwise by you;

29.2.2 All sums which we may, at our option, expend or advance for the maintenance, preservation, and protection of the Collateral, including, without limitation, payment of rent, taxes, levies, assessments, insurance premiums, and discharge of liens, together with interest, or any other property given as security for payment of the Indebtedness;

29.2.3 All expenses, including reasonable attorneys' fees, which we incur in connection with collecting any or all Indebtedness secured hereby or in enforcing or protecting its rights under the Security Interest and this Agreement; and

29.2.4 All other present or future, direct or indirect, absolute or contingent, liabilities, obligations, and indebtedness of you to us or third parties under this Agreement, however created, and specifically including all or part of any renewal or extension of this Agreement, whether or not you execute any extension agreement or renewal instruments.

Our security interest, as described herein, shall be subordinated to any financing related to your operation of the Franchised Restaurant, including, but not limited to, a real property mortgage and equipment leases.

29.3 Additional Documents

You shall from time to time as required by us join with us in executing any additional documents and one or more financing statements pursuant to the Uniform Commercial Code (and any assignments, extensions, or modifications thereof) in form satisfactory to us.

29.4 Possession of Collateral

Upon default and termination of your rights under this Agreement, we shall have the immediate right to possession and use of the Collateral.

29.5 Our Remedies in Event of Default

You agree that, upon the occurrence of any default set forth above, the full amount remaining unpaid on the Indebtedness secured shall, at our option and without notice, become due and payable immediately, and we shall then have the rights, options, duties, and remedies of a secured party under, and you shall have the rights and duties of a debtor under, the Uniform Commercial Code of Tennessee (or other applicable law), including, without limitation, our right to take possession of the Collateral and without legal process to enter any premises where the Collateral may be found. Any sale of the Collateral may be conducted by us in a commercially reasonable manner. Reasonable notification of the time and place of any sale shall be satisfied by mailing to you pursuant to the notice provisions set forth above.

29.6 Special Filing as Financing Statement

This Agreement shall be deemed a Security Agreement and a Financing Statement. This Agreement may be filed for record in the real estate records of each county in which the Collateral, or any part thereof, is situated and may also be filed as a Financing Statement in the counties or in the office of the Secretary of State, as appropriate, in respect of those items of Collateral of a kind or character defined in or subject to the applicable provisions of the Uniform Commercial Code as in effect in the appropriate jurisdiction.

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

<table>
<tr>
<td>BAYBROS FC LLC

Franchisor, a Tennessee limited liability company

By:______________________________

Name:____________________________

Title:_____________________________</td>
<td>_________________________________
Franchisee

By:______________________________

Name:____________________________

Title:_____________________________</td>
</tr>
<tr>
<td><u>Address for Notices</u>:

Baybros FC LLC
210 James Asbury Drive NW
Cleveland, Tennessee 37312-2984
Attn: Department of Franchising
Fax: (423) 313-0984</td>
<td><u>Address for Notices</u>:

____
____
____
Telephone:________________________
Fax:_____________________________
Attn:____________________________</td>
</tr>
<tr>
<td><u>With copy to</u>:

Ryan Cipparone, Esq.
Cipparone & Cipparone, P.A.
1525 International Pkwy., Suite 1071</td>
<td></td>
</tr>
</table>

Lake Mary, Florida 32746 Telephone: (321) 275-5914 Facsimile: (321) 275-5931 RCipparone@CipparonePA.com	

BAYBROS FC LLC
FRANCHISE AGREEMENT
EXHIBIT A
DATA SHEET

1. The Approved Location for the Franchised Restaurant shall be ______________________________ ____ (See Section 1.2).

2. The Designated Territory shall be (subject to the terms of the Agreement, including but not limited to Section 1.4 of the Agreement) as follows, and which Designated Territory is reflected on the map attached to this Exhibit A:

Initial: _____________ Date: ___________
Franchisee

Initial: _____________ Date: ___________
Baybros FC LLC

BAYBROS FC LLC
FRANCHISE AGREEMENT
EXHIBIT B
ADA CERTIFICATION

Baybros FC LLC ("**Franchisor**") and ______________________ ("**Franchisee**") are parties to a franchise agreement dated ______________________ for the operation of a DosBros® Restaurant at ______________________________ (the "**Franchised Restaurant**"). In accordance with the Franchise Agreement, Franchisee certifies to Franchisor that, to the best of Franchisee's knowledge, the Franchised Restaurant and its adjacent areas comply with all applicable federal, state and local accessibility laws, statutes, codes, rules, regulations and standards, including but not limited to the Americans with Disabilities Act. Franchisee acknowledges that it is an independent contractor and the requirement of this certification by Franchisee does not constitute ownership, control, leasing or operation of the Franchised Restaurant. Franchisee acknowledges that Franchisee has relied on the information contained in this certification. Furthermore, Franchisee acknowledge its obligation under this Franchise Agreement to indemnify Franchisor and the officers, directors, and employees of Franchisor in connection with any and all claims, losses, costs, expenses, liabilities, compliance costs, and damages incurred by the indemnified party(ies) as a result of any matters associated with Franchisee's compliance with the Americans with Disabilities Act, as well as the costs, including attorneys' fees, related to the same.

Franchisee ______________________________

By:____________________________________

Name:__________________________________

Title:___________________________________

BAYBROS FC LLC
FRANCHISE AGREEMENT
EXHIBIT C
LIST OF PRINCIPALS AND DESIGNATED PRINCIPAL

The following identifies all of Franchisee's Principals (as defined in Section 6.1 of the Franchise Agreement):

Name of Principal	Address	Interest (%) with description
		Total: 100%

FRANCHISEE'S DESIGNATED PRINCIPAL

The following identifies Franchisee's Designated Principal (as defined in Section 8.3 of the Franchise Agreement):

Name and Title	Address, telephone number, and e-mail address	Interest (%) (with description) if any

BAYBROS FC LLC
FRANCHISE AGREEMENT
EXHIBIT D
AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS

____ (Name of Person or Legal Entity)
____(ID Number)

The undersigned depositor ("**Depositor**") hereby authorizes Baybros FC LLC, a Tennessee limited liability comapny ("**Franchisor**") to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account(s) indicated below and the depository designated below ("**Depository**") ("**Bank**") to debit or credit such account(s) pursuant to Franchisor's instructions.

Depository	Branch	
City	State	Zip Code
Bank Transit/ABA Number	Account Number	

This authorization is to remain in full and force and effect until one hundred twenty (120) days after Franchisor has received written notification from Franchisee of its termination.

____
Depositor

By:________________________________

Name:______________________________

Title:_______________________________

Date:_______________________________

BAYBROS FC LLC
FRANCHISE AGREEMENT
EXHIBIT E
GUARANTEE, INDEMNIFICATION, AND ACKNOWLEDGMENT

As an inducement to Baybros FC LLC ("**Franchisor**") to enter the DosBros® Franchise Agreement between Franchisor and ____ ("**Franchisee**"), dated ________, 20___ (the "**Agreement**"), the undersigned, jointly and severally, hereby unconditionally guarantee to Franchisor and Franchisor's successors and assigns that all of Franchisee's monetary obligations under the Agreement will be punctually paid and performed and that all monetary obligations will be punctually paid and performed.

Upon demand by Franchisor, the undersigned each hereby jointly and severally agree to immediately make each payment required of Franchisee under the Agreement and waive any right to require Franchisor to: (a) proceed against Franchisee for any payment required under the Agreement; (b) proceed against or exhaust any security from Franchisee; (c) pursue or exhaust any remedy, including any legal or equitable relief, against Franchisee; or (d) give notice of demand for payment by Franchisee. Without affecting the obligations of the undersigned under this Guarantee, Franchisor may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation of Franchisee, or settle, adjust, or compromise any claims against Franchisee, and the undersigned each hereby jointly and severally waive notice of same and agree to remain and be bound by any and all such amendments and changes to the Agreement.

The undersigned each hereby jointly and severally agree to defend, indemnify and hold Franchisor harmless against any and all losses, damages, liabilities, costs, and expenses (including, but not limited to, reasonable attorney's fees, reasonable costs of financial and other investigation, court costs, and fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Franchisee to perform any obligation of Franchisee under the Agreement, any amendment thereto, or any other agreement executed by Franchisee referred to therein.

The undersigned each hereby jointly and severally acknowledge and expressly agree to be individually bound by all of the covenants contained in Sections 11, 15, 17, and 18 of the Agreement, and acknowledge and agree that this Guarantee does not grant the undersigned any right to use the "DosBros®" marks or system licensed to Franchisee under the Agreement.

This Guarantee shall terminate upon the termination or expiration of the Agreement, except that all obligations and liabilities of the undersigned which arose from events which occurred on or before the effective date of such termination shall remain in full force and effect until satisfied or discharged by the undersigned, and all covenants which by their terms continue in force after the expiration or termination of the Agreement shall remain in force according to their terms. Upon the death of an individual guarantor, the estate of such guarantor shall be bound by this Guarantee, but only for defaults and obligations hereunder existing at the time of death; and the obligations of the other guarantors will continue in full force and effect.

Guarantor represents and warrants to Franchisor that neither Guarantor (including, without limitation, any and all of its employees, directors, officers and other representatives), nor any of its affiliates or the funding sources for either is a person or entity designated with whom Franchisor, or any of its affiliates, are prohibited by law from transacting business.

Any and all notices required or permitted under this guarantee provision shall be in writing and shall be personally delivered, in the manner provided under Section 24 of the Agreement.

Unless specifically stated otherwise, the terms used in this Guarantee shall have the same meaning as in the Agreement, and shall be interpreted and construed in accordance with Section 27 of the Agreement. This Guarantee shall be interpreted and construed under the laws of the State of Tennessee. In the event of any conflict of law, the laws of the State of Tennessee shall prevail (without regard to, and without giving effect to, the application of Tennessee conflict of law rules).

IN WITNESS WHEREOF, the undersigned has signed this guarantee provision as of the date of this Agreement.

GUARANTOR(S)

____
Print Name:______________________________

____
Print Name:______________________________

____
Print Name:______________________________

____
Print Name:______________________________

____
Print Name:______________________________

BAYBROS FC LLC
FRANCHISE AGREEMENT
EXHIBIT F

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT
(for trained employees, shareholders, officers, directors, general partners, members and managers of Franchisee)

In consideration of my being a _________________________of ____________________ ("Franchisee"), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that:

1. Pursuant to a Franchise Agreement dated _______________, 20___ (the "Franchise Agreement"), Franchisee has acquired the right and franchise from Baybros FC LLC (the "Company") to establish and operate a DosBros® Restaurant (the "Franchised Business") and the right to use in the operation of the Franchised Business the Company's trade names, service marks, trademarks, logos, emblems, and indicia of origin (the "Proprietary Marks"), as they may be changed, improved and further developed from time to time in the Company's sole discretion, only at the following authorized and approved location: ___________________________ (the "Approved Location").

2. The Company, as the result of the expenditure of time, skill, effort and resources has developed and owns a distinctive format and system (the "System") relating to the establishment and operation of Franchised Businesses, which feature and offer for sale to the public distinctive appetizers, tacos, burritos, bowls, quesadillas, salads and beverages in a casual dining environment. The Company possesses certain proprietary and confidential information relating to the operation of the System, which includes certain proprietary trade secrets, methods, techniques, formats, specifications, systems, procedures, methods of business practices and management, sales and promotional techniques and knowledge of, and experience in, the operation of the Franchised Business (the "Confidential Information").

3. Any and all information, knowledge, know-how, and techniques which the Company specifically designates as confidential shall be deemed to be Confidential Information for purposes of this Agreement.

4. As ________ of the Franchisee, the Company and Franchisee will disclose the Confidential Information to me in furnishing to me training programs, the Company's Confidential Operations Manuals (the "Manuals"), and other general assistance during the term of the Franchise Agreement.

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

6. The Confidential Information is proprietary, involves trade secrets of the Company, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by the Company as confidential. Unless the Company otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties as ________________ of the Franchisee, and will continue not to disclose any such information even after I cease to be in that position and will not use any such information even after I cease to be in that position unless I can demonstrate that such information has

become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement.

7. Except as otherwise approved in writing by the Company, I shall not, while in my position with the Franchisee, either directly or indirectly for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, operate, engage in, act as a consultant for, perform services for, or have any interest in any retail business or e-commerce business which: (a) is the same as, or substantially similar to, a Franchised Business; or (b) offers to sell or sells any products or services which are the same as, or substantially similar to, any of the products offered by a Franchised Business (a "Competitive Business"); and for a continuous uninterrupted period commencing upon the cessation or termination of my position with Franchisee, regardless of the cause for termination, or upon the expiration, termination, transfer, or assignment of the Franchise Agreement, whichever occurs first, and continuing for two (2) years thereafter, either directly or indirectly, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, operate, engage in, act as a consultant for, perform services for, or have any interest in any Competitive Business that is, or is intended to be, located at or within:

7.1 Franchisee's Designated Territory, as defined in the Franchise Agreement ("Franchisee's Designated Territory");

7.2 Twenty (20) miles of Franchisee's Designated Territory; or

7.3 Twenty (20) miles of any Franchised Business operating under the System and the Proprietary Marks.

The prohibitions in this Paragraph 7 do not apply to my interests in or activities performed in connection with a Franchised Business. This restriction does not apply to my ownership of less than five percent (5%) beneficial interest in the outstanding securities of any publicly held corporation.

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

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

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

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

____
Signature

____
Name

____
Address

____
Title

ACKNOWLEDGED BY FRANCHISEE

By:____________________________________

Name:__________________________________

Title:___________________________________

BAYBROS FC LLC
FRANCHISE AGREEMENT
EXHIBIT G

COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned ("Assignor") assigns, transfers and sets over to Baybros FC LLC, a Tennessee limited liability company ("Assignee"), all of Assignor's right and title to and interest in that certain "Lease" a copy of which is attached as Exhibit A respecting premises commonly known as _________________________________. This assignment is for collateral purposes only and except as specified in this document Assignee will have no liability or obligation of any kind whatsoever arising from or in connection with this assignment or the Lease unless and until Assignee takes possession of the premises the Lease demises according to the terms of this document and assumes Assignor's obligations under the Lease.

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

Upon Assignor's default under the Lease or under the "Franchise Agreement" for a DosBros® Restaurant between Assignee and Assignor or in the event Assignor defaults under any document or instrument securing the Franchise Agreement Assignee has the right to take possession of the premises the Lease demises and expel Assignor from the premises. In that event Assignor will have no further right and title to or interest in the Lease but will remain liable to Assignee for any past due rental payments or other charges Assignee is required to pay Lessor to effectuate the assignment this document contemplates.

Assignor agrees that it will not suffer or permit any surrender, termination, amendment or modification of the Lease without Assignee's prior written consent. Throughout the term of the Franchise Agreement Assignor agrees that it will elect and exercise all options to extend the term of or renew the Lease not less than thirty (30) days before the last day upon which the option must be exercised unless Assignee agrees otherwise in writing. Upon Assignee's failure to agree otherwise in writing and upon Assignor's failure to elect to extend or renew the Lease as required Assignor appoints Assignee as its true and lawful attorney-in-fact with the authority to exercise the extension or renewal options in the name, place and stead of Assignor for the sole purpose of effecting the extension or renewal.

ASSIGNEE:	ASSIGNOR:
BAYBROS FC LLC	_________________________________
By:______________________________	By:______________________________
Name:____________________________	Name:____________________________
Title:____________________________	Title:____________________________
Date:____________________________	Date:____________________________

CONSENT TO COLLATERAL ASSIGNMENT AND AGREEMENT OF LESSOR

The undersigned Lessor under the Lease:

(a) Agrees to notify Assignee in writing of and upon Assignor's failure to cure any default by Assignor under the Lease;

(b) Agrees that Assignee will have the right, but not the obligation, to cure any default by Assignor under the Lease within thirty (30) days after Lessor's delivery of notice of the default under section (a) above;

(c) Consents to the Collateral Assignment and agrees that if Assignee takes possession of the premises the Lease demises and confirms to Lessor that it has assumed the Lease as tenant, Lessor will recognize Assignee as tenant under the Lease, provided that Assignee cures within the thirty (30) day period noted in section (b) above Assignor's defaults under the Lease; and

(d) Agrees that Assignee may further assign the Lease to or enter into a sublease with a person, firm or corporation who agrees to assume the tenant's obligations under the Lease and is reasonably acceptable to Lessor and that upon that assignment Assignee will have no further liability or obligation under the Lease as assignee, tenant or otherwise, other than to certify that the additional assignee or sublessee operates the premises the Lease demises as a Restaurant.

Dated:_____________________

____

_________________________________, Lessor

BAYBROS FC LLC
FRANCHISE AGREEMENT
EXHIBIT H

FRANCHISEE DISCLOSURE ACKNOWLEDGMENT STATEMENT

As you know, Baybros FC LLC (the "Franchisor") and you are preparing to enter into a franchise agreement (the "Franchise Agreement") for the establishment and operation of a DosBros® Restaurant (the "Franchised Business"). The purpose of this Questionnaire is to determine whether any statements or promises were made to you by employees or authorized representatives of the Franchisor, or by employees or authorized representatives of a broker acting on behalf of the Franchisor ("Broker") that have not been authorized, or that were not disclosed in the Disclosure Document or that may be untrue, inaccurate or misleading. The Franchisor, through the use of this document, desires to ascertain (a) that the undersigned, individually and as a representative of any legal entity established to acquire the franchise rights, fully understands and comprehends that the purchase of a franchise is a business decision, complete with its associated risks, and (b) that you are not relying upon any oral statement, representations, promises or assurances during the negotiations for the purchase of the franchise which have not been authorized by Franchisor.

In the event that you are intending to purchase an existing Franchised Business from an existing Franchisee, you may have received information from the transferring Franchisee, who is not an employee or representative of the Franchisor. The questions below do not apply to any communications that you had with the transferring Franchisee. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. Are you seeking to enter into the Franchise Agreement in connection with a purchase or transfer of an existing Franchised Business from an existing Franchisee?

Yes _____ No _____

2. I had my first face-to-face meeting with a Franchisor representative on ________________, 20___.

3. Have you received and personally reviewed the Franchise Agreement, each addendum, and/or related agreement provided to you?

Yes _____ No _____

4. Do you understand all of the information contained in the Franchise Agreement, each addendum, and/or related agreement provided to you?

Yes _____ No _____

If no, what parts of the Franchise Agreement, any Addendum, and/or related agreement do you not understand? (Attach additional pages, if necessary.)

____
____
____
____

____
____

5. Have you received and personally reviewed the Franchisor's Disclosure Document that was provided to you?

Yes _____ No _____

6. Did you sign a receipt for the Disclosure Document indicating the date you received it?

Yes _____ No _____

7. Do you understand all of the information contained in the Disclosure Document and any state-specific Addendum to the Disclosure Document?

Yes _____ No _____

If No, what parts of the Disclosure Document and/or Addendum do you not understand? (Attach additional pages, if necessary.)

____
____
____
____
____
____

8. Have you discussed the benefits and risks of establishing and operating a Franchised Business with an attorney, accountant, or other professional advisor?

Yes _____ No _____

If No, do you wish to have more time to do so?

Yes _____ No _____

9. Do you understand that the success or failure of your Franchised Business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, location, lease terms, your management capabilities and other economic, and business factors?

Yes _____ No _____

10. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the actual or potential revenues, profits or operating costs of any particular Franchised Business operated by the Franchisor or its franchisees (or of any group of such businesses), that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

11. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise regarding the amount of money you may earn in operating the franchised business that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

12. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the total amount of revenue the Franchised Business will generate, that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

13. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise regarding the costs you may incur in operating the Franchised Business that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

14. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Franchised Business?

Yes _____ No _____

15. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that the Franchisor will furnish to you that is contrary to, or different from, the information contained in the Disclosure Document or franchise agreement?

Yes _____ No _____

16. Have you entered into any binding agreement with the Franchisor concerning the purchase of this franchise prior to today?

Yes _____ No _____

17. Have you paid any money to the Franchisor concerning the purchase of this franchise prior to today?

Yes _____ No _____

18. Have you spoken to any other franchisee(s) of this system before deciding to purchase this franchise? If so, who? ____
____

If you have answered No to question 9, or Yes to any one of questions 10-17, please provide a full explanation of each answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered Yes to question 9, and No to each of questions 10-17, please leave the following lines blank.

____
____
____
____

I signed the Franchise Agreement and Addendum (if any) on _______________, 20___, and acknowledge that no Agreement or Addendum is effective until signed and dated by the Franchisor.

Please understand that your responses to these questions are important to us and that we will rely on them. By signing this Questionnaire, you are representing that you have responded truthfully to the above questions. In addition, by signing this Questionnaire, you also acknowledge that:

A. You recognize and understand that business risks, which exist in connection with the purchase of any business, make the success or failure of the franchise subject to many variables, including among other things, your skills and abilities, the hours worked by you, competition, interest rates, the economy, inflation, franchise location, operation costs, lease terms and costs and the marketplace. You hereby acknowledge your awareness of and willingness to undertake these business risks.

B. You agree and state that the decision to enter into this business risk is in no manner predicated upon any oral representation, assurances, warranties, guarantees or promises made by Franchisor or any of its officers, employees or agents (including the Broker or any other broker) as to the likelihood of success of the franchise. Except as contained in the Disclosure Document, you acknowledge that you have not received any information from the Franchisor or any of its officers, employees or agents (including the Broker or any other broker) concerning actual, projected or forecasted franchise sales, profits or earnings. If you believe that you have received any information concerning actual, average, projected or forecasted franchise sales, profits or earnings other than those contained in the Disclosure Document, please describe those in the space provided below or write "None".

____
____
____

C. You further acknowledge that the President of the United States of America has issued Executive Order 13224 (the "Executive Order") prohibiting transactions with terrorists and terrorist organizations and that the United States government has adopted, and in the future may adopt, other anti-terrorism measures (the "Anti-Terrorism Measures"). The Franchisor therefore requires certain certifications that the parties with whom it deals are not directly involved in terrorism. For that reason, you hereby certify that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, is:

(i) a person or entity listed in the Annex to the Executive Order;

(ii) a person or entity otherwise determined by the Executive Order to have committed acts of terrorism or to pose a significant risk of committing acts of terrorism;

(iii) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or

(iv) owned or controlled by terrorists or sponsors of terrorism.

You further covenant that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, will during the term of the Franchise Agreement become a person or entity described above or otherwise become a target of any Anti-Terrorism Measure.

Acknowledged this _____ day of ________________, 20____.

Sign here if you are taking the franchise as an INDIVIDUAL	Sign here if you are taking the franchise as a CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP
____ Signature	____ Print Name of Legal Entity
Print Name_______________________________	By:_____________________________________ Signature
____ Signature	Print Name_______________________________
Print Name_______________________________	Title____________________________________
____ Signature	
Print Name_______________________________	
____ Signature	
Print Name_______________________________	

BAYBROS FC LLC
FRANCHISE AGREEMENT
EXHIBIT I

INTERNET WEB SITES AND LISTINGS AGREEMENT

THIS INTERNET WEB SITES AND LISTINGS AGREEMENT (the "Internet Listing Agreement") is made and entered into as of the _____ day of ________________, 20___ (the "Effective Date"), by and between Baybros FC LLC, a Tennessee limited liability company (the "Franchisor"), and __________________________, a __________________ (the "Franchisee").

W I T N E S S E T H:

WHEREAS, Franchisee desires to enter into a Franchise Agreement with Franchisor for a "DosBros®" Restaurant (the "Franchise Agreement"); and

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee's agreement to enter into, comply with, and be bound by all the terms and provisions of this Internet Listing Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **DEFINITIONS**

All terms used but not otherwise defined in this Internet Listing Agreement shall have the meanings set forth in the Franchise Agreement. "Termination" of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. **TRANSFER; APPOINTMENT**

2.1 Interest in Internet Web Sites and Listings. Franchisee may acquire (whether in accordance with or in violation of the Franchise Agreement) during the term of the Franchise Agreement, certain right, title, and interest in and to certain domain names, hypertext markup language, uniform resource locator addresses, and access to corresponding Internet web sites, and the right to hyperlink to certain web sites and listings on various Internet search engines (collectively, the "Internet Web Sites and Listings") related to the Franchised Business or the Marks (all of which right, title, and interest is referred to herein as "Franchisee's Interest").

2.2 Transfer. On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately direct all Internet Service Providers, domain name registries, Internet search engines, and other listing agencies (collectively, the "Internet Companies") with which Franchisee has Internet Web Sites and Listings: (i) to transfer all of Franchisee's Interest in such Internet Web Sites and Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Internet Web Sites and Listings, Franchisee will immediately direct the Internet Companies to terminate such Internet Web Sites and Listings or will take such other actions with respect to the Internet Web Sites and Listings as Franchisor directs.

2.3 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor's benefit under the Franchise Agreement and this Internet Listing Agreement or otherwise, with full power of substitution, as Franchisee's true and lawful attorney-in-fact with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any affiliated person or affiliated company of Franchisee, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Internet Listing Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including without limitation this Internet Listing Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.3.1 Direct the Internet Companies to transfer all Franchisee's Interest in and to the Internet Web Sites and Listings to Franchisor;

2.3.2 Direct the Internet Companies to terminate any or all of the Internet Web Sites and Listings; and

2.3.3 Execute the Internet Companies' standard assignment forms or other documents in order to affect such transfer or termination of Franchisee's Interest.

2.4 Certification of Termination. Franchisee hereby directs the Internet Companies to accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.5 Cessation of Obligations. After the Internet Companies have duly transferred all Franchisee's Interest in such Internet Web Sites and Listings to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations under, such Internet Web Sites and Listings. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Internet Companies for the sums Franchisee is obligated to pay such Internet Companies for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such Interest, or for any other obligations not subject to the Franchise Agreement or this Internet Listing Agreement.

3. **MISCELLANEOUS**

3.1 Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Internet Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertable in, or in any way related to this Internet Listing Agreement.

3.2 Indemnification. Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, demands, or obligations that are related to or are based on this Internet Listing Agreement.

3.3 No Duty. The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's Interest in any or all such Internet Web Sites and Listings.

3.4 Further Assurances. Franchisee agrees that at any time after the date of this Internet Listing Agreement, Franchisee will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Internet Listing Agreement.

3.5 Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Franchisee's obligations, under this Internet Listing Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Internet Listing Agreement.

3.6 Effect on Other Agreements. Except as otherwise provided in this Internet Listing Agreement, all provisions of the Franchise Agreement and exhibits and schedules thereto shall remain in effect as set forth therein.

3.7 Survival. This Internet Listing Agreement shall survive the Termination of the Franchise Agreement.

3.8 Joint and Several Obligations. All Franchisee's obligations under this Internet Listing Agreement shall be joint and several.

3.9 Governing Law. This Internet Listing Agreement shall be governed by and construed under the laws of the State of Tennessee, without regard to the application of Tennessee conflict of law rules.

The undersigned have executed or caused their duly authorized representatives to execute this Agreement as of the Effective Date.

FRANCHISOR:	FRANCHISEE:
BAYBROS FC LLC	______________________________
By:______________________________	By:______________________________
Name:____________________________	Name:____________________________
Title:_____________________________	Title:_____________________________

TELEPHONE LISTING AGREEMENT

THIS TELEPHONE LISTING AGREEMENT (the "Telephone Listing Agreement") is made and entered into as of the _____ day of ________________, 20___ (the "Effective Date"), by and between Baybros FC LLC, a Tennessee limited liability company (the "Franchisor"), and __________________________, a __________________ (the "Franchisee").

W I T N E S S E T H:

WHEREAS, Franchisee desires to enter into a Franchise Agreement with Franchisor for a "DosBros®" Restaurant (the "Franchise Agreement"); and

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee's agreement to enter into, comply with, and be bound by all the terms and provisions of this Telephone Listing Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, the parties hereto agree as follows:

1. DEFINITIONS

All terms used but not otherwise defined in this Telephone Listing Agreement shall have the meanings set forth in the Franchise Agreement. "Termination" of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. TRANSFER; APPOINTMENT

2.1 Interest in Telephone Numbers and Listings. Franchisee has, or will acquire during the term of the Franchise Agreement, certain right, title, and interest in and to those certain telephone numbers and regular, classified, yellow-page, and other telephone directory listings (collectively, the "Telephone Numbers and Listings") related to the Franchised Business or the Marks (all of which right, title, and interest is referred to herein as "Franchisee's Interest").

2.2 Transfer. On Termination of the Franchise Agreement, if Franchisor directs Franchisee to do so, Franchisee will immediately direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the "Telephone Companies") with which Franchisee has Telephone Numbers and Listings: (i) to transfer all Franchisee's Interest in such Telephone Numbers and Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Telephone Numbers and Listings, Franchisee will immediately direct the Telephone Companies to terminate such Telephone Numbers and Listings or will take such other actions with respect to the Telephone Numbers and Listings as Franchisor directs.

2.3 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor's benefit under the Franchise Agreement and this Telephone Listing Agreement or otherwise, with full power of substitution, as Franchisee's true and lawful attorney-in-fact with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any affiliated person or affiliated company of Franchisee, on Termination of the Franchise Agreement, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Telephone Listing Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including, without limitation, this Telephone Listing Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.3.1 Direct the Telephone Companies to transfer all Franchisee's Interest in and to the Telephone Numbers and Listings to Franchisor;

2.3.2 Direct the Telephone Companies to terminate any or all of the Telephone Numbers and Listings; and

2.3.3 Execute the Telephone Companies' standard assignment forms or other documents in order to affect such transfer or termination of Franchisee's Interest.

2.4 Certification of Termination. Franchisee hereby directs the Telephone Companies that they shall accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.5 Cessation of Obligations. After the Telephone Companies have duly transferred all Franchisee's Interest in such Telephone Numbers and Listings to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further Interest in, or obligations under, such Telephone Numbers and Listings. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Telephone Companies for the sums Franchisee is obligated to pay such Telephone Companies for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such Interest, or for any other obligations not subject to the Franchise Agreement or this Telephone Listing Agreement.

3. **MISCELLANEOUS**

3.1 Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Telephone Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertable in, or in any way related to this Telephone Listing Agreement.

3.2 Indemnification. Franchisee is solely responsible for all costs and expenses related to Franchisee's performance, Franchisee's nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and the directors, officers, shareholders, partners, members, employees, agents, and attorneys of Franchisor and its affiliates, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, demands, or obligations that are related to or are based on this Telephone Listing Agreement.

3.3 No Duty. The powers conferred on Franchisor under this Telephone Listing Agreement are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's Interest in any or all such Telephone Numbers and Listings.

3.4 Further Assurances. Franchisee agrees that at any time after the date hereof, it will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Telephone Listing Agreement.

3.5 Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Franchisee's obligations, under this Telephone Listing Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Telephone Listing Agreement.

3.6 Effect on Other Agreements. Except as otherwise provided in this Telephone Listing Agreement, all provisions of the Franchise Agreement and exhibits and schedules thereto shall remain in effect as set forth therein.

3.7 Survival. This Telephone Listing Agreement shall survive the Termination of the Franchise Agreement.

3.8 Joint and Several Obligations. All Franchisee's obligations under this Telephone Listing Agreement shall be joint and several.

3.9 Governing Law. This Telephone Listing Agreement shall be governed by and construed under the laws of the State of Tennessee, without regard to the application of Tennessee conflict of law rules.

The parties hereto have duly executed and delivered this Telephone Listing Agreement as of the Effective Date.

FRANCHISOR:	FRANCHISEE:
BAYBROS FC LLC	______________________________
By:______________________________	By:______________________________
Name:____________________________	Name:____________________________
Title:_____________________________	Title:_____________________________

BAYBROS FC LLC
FRANCHISE AGREEMENT
EXHIBIT J

STATE-SPECIFIC ADDENDA

ILLINOIS ADDENDUM TO THE FRANCHISE AGREEMENT

(Applies only to Illinois franchisees)

This Illinois Addendum to the Franchise Agreement is made in recognition of Illinois law and the parties to the attached Baybros FC, LLC Franchise Agreement (the "Franchise Agreement") agree as follows:

1. Illinois law governs the Franchise Agreement(s).

2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

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

4. In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

5. Pursuant to Section 200.500 of the Administrative Rules, the Franchisor shall defer the payment of initial franchise fees owed to the Franchisor, or its affiliate, until such time as all pre-opening obligations owed to the Franchisee under the Franchise Agreement or other agreements have been fulfilled by the Franchisor and the Franchisee has commenced doing business pursuant to the Franchise Agreement.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms as of this _____ day of _____________________, _________.

[Signature page to follow]

[Signature page to Illinois Addendum to the Franchise Agreement]

FRANCHISEE
(If Entity)

____
Name of Entity

By:_________________________________
Print Name:__________________________
Title:_______________________________

(If Individuals)

By:_________________________________
Print Name:__________________________

By:_________________________________
Print Name:__________________________

FRANCHISOR
BAYBROS FC, LLC

By:_________________________________
Print Name:__________________________
Title:_______________________________

INDIANA ADDENDUM TO THE FRANCHISE AGREEMENT

(Applies only to Indiana franchisees)

The following Addendum modifies and supersedes the Baybros FC, LLC Franchise Agreement (the "Agreement") with respect to DosBros® franchises offered or sold to either a resident of the State of Indiana or a non-resident who will be operating a DosBros® franchise in the State of Indiana pursuant to the Indiana Deceptive Franchise Practices Law, Indiana Code §§ 23-2-2.7-1 through 23-2-2.7-10, and the Indiana Franchise Disclosure Law, Indiana Code §§ 23-2-2-2.5-1 through 23-2-2-2.5-51, as follows:

1. The Agreement contains a covenant not to compete that extends beyond the termination of the franchise. This provision may not be enforceable under Indiana law.

2. Under Section 21.4 of the Agreement, Franchisee will not be required to indemnify Franchisor for any liability imposed on Franchisor as a result of Franchisee's reliance on or use of procedures or products which were required by Franchisor, if such procedures were utilized by Franchisee in the manner required by Franchisor.

3. Sections 2.2.4 and 15.3.3 of the Agreement each contain a provision requiring a general release as a condition of renewal and transfer of the franchise. Each provision is inapplicable under the Indiana Deceptive Franchise Practices Law, IC § 23-2-2.7-1(5).

4. Section 27.1 of the Agreement is amended to provide that in the event of a conflict of law, the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practices Law will prevail.

5. Section 27.4 of the Agreement is amended to provide that arbitration between Franchisee and Franchisor will be conducted at a mutually agreed-on location.

6. Nothing in the Agreement will abrogate or reduce any rights Franchisee has under Indiana law.

7. Franchisor and Franchisee agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or the Agreement, whichever expires earlier.

8. Each provision of this Addendum will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practices Act are met independently without reference to this Addendum.

9. All capitalized terms used but not defined in this Addendum shall have the meanings set forth in the Agreement. To the extent this Addendum is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Addendum shall govern.

[Signatures Appear on Following Page]

[Signature page to Indiana Addendum to the Franchise Agreement]

Each of the undersigned hereby acknowledges having read, understood, and executed this Addendum on ________________________, 20____.

FRANCHISEE
(If Entity)

____
Name of Entity

By:_________________________________
Print Name:__________________________
Title:_______________________________

(If Individuals)

By:_________________________________
Print Name:__________________________

By:_________________________________
Print Name:__________________________

FRANCHISOR
BAYBROS FC, LLC

By:_________________________________
Print Name:__________________________
Title:_______________________________

EXHIBIT C TO THE DISCLOSURE DOCUMENT
<u>MULTI-UNIT DEVELOPMENT AGREEMENT</u>

BAYBROS FC LLC

MULTI-UNIT DEVELOPMENT AGREEMENT

____
MULTI-UNIT DEVELOPER

____
DATE OF AGREEMENT

TABLE OF CONTENTS

ATTACHMENTS:

“A” Certification by Multi-Unit Developer
“B” Guaranty
“C” Transfer of a Franchise to a Corporation or Limited Liability Company

EXHIBITS:

“A” Minimum Performance Schedule
“B” Exclusive Area
“C” State-Specific Addenda

BAYBROS FC LLC.
<u>MULTI-UNIT DEVELOPMENT AGREEMENT</u>

THIS MULTI-UNIT DEVELOPMENT AGREEMENT ("Agreement") is made and entered into the _______ day of ____________ , 20__, between Baybros FC LLC, a Tennessee limited liability company whose principal address is 210 James Asbury Drive NW, Cleveland, Tennessee 37312 (hereinafter "Franchisor"), and ________________________ whose principal address is ___________________________ (hereinafter "Multi-Unit Developer").

W I T N E S S E T H:

WHEREAS, Franchisor owns a format and system (the "System") relating to the establishment and operation of quick-service fast casual Tex-Mex restaurants where fresh items are prepared from scratch on a daily basis, including, tacos, burritos, bowls, quesadillas, and salads in a modern casual dining environment that display our interior and exterior trade dress and feature and operate under the Proprietary Marks (as defined below) (each a "DosBros® Restaurant"). A DosBros® Restaurant operates using our proprietary recipes, formulae and techniques ("Proprietary Products"), as well as other non-proprietary food, beverage, and other compatible items designated by us from time to time (collectively, "Products");

WHEREAS, the distinguishing characteristics of the System include, without limitation, distinctive exterior and interior design, décor, color scheme, and furnishings; proprietary products and ingredients; proprietary recipes and special menu items, uniform standards, specifications, and procedures for operations; quality and uniformity of products and services offered; procedures for inventory, management and financial control; training and assistance; and advertising and promotional programs; all of which may be changed, improved, and further developed by Franchisor from time to time;

WHEREAS, Franchisor identifies the System by means of certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including, but not limited to, the mark "DosBros®," "DosBros Fresh Mexican Grill®" and such other trade names, service marks, and trademarks as are now designated (and may hereafter be designated by Franchisor in writing) for use in connection with the System (hereinafter referred to as "Marks");

WHEREAS, Franchisor continues to develop, use and control the use of such 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, appearance and service;

WHEREAS, Multi-Unit Developer recognizes the benefits to be derived from being identified with and being a multi-unit developer of Franchisor; and

WHEREAS, Multi-Unit Developer wishes to obtain certain development rights to open and operate DosBros® Restaurants operating under the Marks under the System within the Exclusive Area described in this Multi-Unit Development Agreement.

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other party stated herein, hereby agree as follows:

SECTION I
<u>GRANT</u>

1.1 Franchisor hereby grants to Multi-Unit Developer, pursuant to the terms and conditions of this Multi-Unit Development Agreement, certain development rights ("Development Rights") to establish and operate _________ (_____) Franchised Restaurants, and to use the System solely in connection therewith at specific locations to be designated in separate Franchise Agreements executed as provided in Section 3.1 hereof, and pursuant to the schedule established in Exhibit "A" of this Agreement (hereinafter "Minimum Performance Schedule"). Each Restaurant developed hereunder shall be located in the area described in Exhibit "B" of this Agreement (hereinafter "Exclusive Area").

1.2 Each Restaurant for which a Development Right is granted hereunder shall be established and operated pursuant to a Franchise Agreement to be entered into between Multi-Unit Developer (or its controlled affiliates) and Franchisor in accordance with Section 3.1 hereof. No Restaurant may be opened for business unless and until a fully executed Franchise Agreement is in place for such Restaurant.

1.3 Except as otherwise provided in this Agreement, Franchisor shall not establish, nor franchise anyone other than Multi-Unit Developer to establish, a Restaurant in the Exclusive Area during the term of this Agreement, provided Multi-Unit Developer is not in default hereunder.

1.4 This Agreement is not a Franchise Agreement and does not grant to Multi-Unit Developer any right to use the Marks or System.

1.5 Multi-Unit Developer shall have no right under this Agreement to franchise others under the Marks or System.

SECTION II
MULTI-UNIT DEVELOPMENT FEE

In consideration of the development rights granted herein, Multi-Unit Developer shall pay to Franchisor a Multi-Unit Development Fee of ___________________________ Thousand Dollars ($____________), payable in a lump sum upon execution of this Agreement ("Multi-Unit Development Fee").

The Multi-Unit Development Fee shall be fully earned by Franchisor upon execution of this Agreement, and shall be for administrative and other expenses incurred by Franchisor and for the development opportunities lost or deferred as a result of the Development Rights granted Multi-Unit Developer herein.

SECTION III
SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS

3.1 In the event Multi-Unit Developer finds a location for a Restaurant without the assistance of Franchisor, then in such event, Multi-Unit Developer shall submit to Franchisor for its evaluation and approval, in the form specified by Franchisor, a description of the site, the terms of the lease or purchase, a market feasibility study for the site and such other information and materials as Franchisor may reasonably require, together with a letter of intent or other evidence satisfactory to Franchisor which confirms Multi-Unit Developer's favorable prospects for obtaining the site. Franchisor shall have thirty (30) days after receipt of such information and materials from Multi-Unit Developer to approve or disapprove the site in its sole discretion. If the site is approved, the Multi-Unit Developer will then be presented with the then-current Franchise Agreement for execution.

3.2 Recognizing that time is of the essence, Multi-Unit Developer agrees to exercise each of the Development Rights granted hereunder in the manner specified herein, and to satisfy the Minimum Performance Schedule in a timely manner. Failure by Multi-Unit Developer to adhere to the Minimum Performance Schedule shall constitute a default under this Agreement as provided in Section 9.1 hereof.

3.3 Multi-Unit Developer shall exercise each Multi-Unit Developer Right granted herein only by executing (or having a controlled affiliate approved by Franchisor execute) a Franchise Agreement for each Restaurant at a site approved by Franchisor in the Exclusive Area as hereinafter provided within fifteen (15) days after receipt of said Franchise Agreement from Franchisor for the approved site and return same to Franchisor for its execution. The Franchise Agreement for the first Development Right exercised hereunder shall be executed contemporaneously with this Agreement. The Franchise Agreement for each additional Development Right exercised hereunder shall be the then-current Franchise Agreement, except that the Royalty and Advertising Fees shall not increase and shall be the same as stated in the first Franchise Agreement executed, subject to any non-material changes therein which are required to be made by changes in any applicable law, regulation or ordinance in effect from time to time. In the event Franchisor does not receive the properly executed Franchise Agreement with the appropriate number of copies within said fifteen (15) days from delivery thereof to Multi-Unit Developer, Franchisor's approval of the site shall be void and Multi-Unit Developer shall have no rights with respect to said site.

The Initial Franchise Fees to be paid by Multi-Unit Developer shall be Thirty Five Thousand Dollars ($35,000) for each Restaurant to be developed. The Initial Franchise Fee for the first Restaurant has been paid in full in the Multi-Unit Development Fee, and _____ (___) deposits of Fifteen Thousand Dollars ($15,000) each (being one-half (1/2) of the Initial Franchise Fee) shall be credited towards the Initial Franchise Fee for the next ____ (__) Restaurants to be developed hereunder. The balance of the Initial Franchise Fee for the next ____ (__) additional Restaurants to be developed, or Fifteen Thousand Dollars ($15,000) each, shall be paid by Multi-Unit Developer according to the schedule attached hereto as Exhibit "A".

3.4 Multi-Unit Developer acknowledges that the approval of a particular site for a Restaurant by Franchisor shall not be deemed to be an assurance or guaranty that the Restaurant will operate successfully or at a profit from such site.

SECTION IV
DEVELOPMENT RIGHTS AND OBLIGATIONS

4.1 Subject to the provisions of this Agreement, Franchisor grants to Multi-Unit Developer the right to develop DosBros® Restaurants within the Exclusive Area ("Development Rights"). Notwithstanding any other provision of this Agreement, Development Rights under this Agreement may, in Franchisor's sole discretion, include the right to develop Restaurants at "Non-Traditional Sites." Non-Traditional Sites include without limitation military bases, malls, hotels, high school and college campuses, airports, train stations, travel plazas, toll roads, prisons, hospitals, convenience stores, casinos, sports or entertainment venues or stadiums, and retail Restaurant locations being sublet under a lease to a master concessionaire, whether currently existing or constructed or established subsequent to the date hereof, whether located within or outside the Exclusive Area.

4.2 Provided Multi-Unit Developer is in full compliance with all the terms and conditions of this Agreement, including without limitation Multi-Unit Developer's development obligations described in Section 3.2, and Multi-Unit Developer is in full compliance with all of its obligations under all franchise agreements executed pursuant to this Agreement, then during the term of this Agreement neither Franchisor nor any of its affiliates will develop or operate or grant franchises for the development or operation of DosBros® Restaurants within the Exclusive Area, except the franchises that are granted to Multi-Unit Developer pursuant to this Agreement and except as otherwise expressly provided in this Agreement.

4.3 Upon the termination or expiration of this Agreement, Franchisor and its affiliates shall have the right to develop and operate, and to grant to others development rights and franchises to develop and operate, Restaurants within the Exclusive Area subject only to the territorial rights granted to Multi-Unit Developer with respect to Restaurants operated by Multi-Unit Developer pursuant to the Franchise Agreements for said Restaurants.

4.4 Except as expressly limited by Section 3.2 above, Franchisor and its affiliates retain all rights with respect to Restaurants, the Marks and the sale of any goods and services, anywhere in the world, including, without limitation, the right:

4.4.1 to produce, offer and sell and grant others the right to produce, offer and sell the Products and any other goods and services through dissimilar channels of distribution both within and outside the Exclusive Area under the Marks and under any terms and conditions Franchisor deems appropriate;

4.4.2 to operate and to grant others the right to operate Restaurants located outside the Exclusive Area under any terms and conditions Franchisor deems appropriate and regardless of proximity to a Restaurant;

4.4.3 to operate and to grant others the right to operate Restaurants at Non-Traditional Sites within and outside the Exclusive Area under any terms and conditions Franchisor deems appropriate; and

4.4.4 to acquire and operate a business operating one or more Restaurants or food service businesses located or operating in the Exclusive Area.

SECTION V
RENEWAL

This Agreement shall not be subject to renewal; however, if Multi-Unit Developer wishes to purchase a new Exclusive Area and continue to develop Restaurants, Franchisor will, in good faith, negotiate a new Multi-Unit Development Agreement with Multi-Unit Developer.

SECTION VI
TERM AND RIGHT OF FIRST REFUSAL

6.1 Unless sooner terminated in accordance with the terms of this Agreement, the term of this Agreement and all Development Rights granted hereunder shall expire on the date the last Restaurant is opened pursuant to the Minimum Performance Schedule established in Exhibit “A”.

6.2 If, at any time or from time to time following the opening for business of all the Restaurants in accordance with the Minimum Performance Schedule, Franchisor determines that it is desirable to operate one or more additional Restaurants in the Exclusive Area, and provided Multi-Unit Developer has timely complied with the Minimum Performance Schedule and is then in compliance with all terms and conditions of all Franchise Agreements, Multi-Unit Developer shall have a right of first refusal to obtain the Development Rights to such additional Restaurant(s) upon such reasonable terms and conditions as are then determined by Franchisor including, but not limited to, the imposition of a new Multi-Unit Development Fee and the payment of the then-current Initial Franchise Fee upon execution of the then-current Franchise Agreement. In such case, Franchisor shall advise Multi-Unit Developer in writing of the terms and conditions for the acquisition of the Development Rights for such additional Restaurant(s). Multi-Unit Developer must notify Franchisor in writing within sixty (60) days of the receipt of such notice whether it wishes to acquire the Development Rights to the one or all of such additional Restaurant(s). If Multi-Unit Developer does not exercise this right of first refusal, in whole, Franchisor may, following the expiration of the sixty (60) day period, grant the Development Rights to such additional Restaurant(s) to any other person or persons on the same terms and conditions or Franchisor itself may elect to develop and construct any of such additional Restaurant(s).

SECTION VII
OBLIGATIONS OF MULTI-UNIT DEVELOPER

7.1 Multi-Unit Developer acknowledges and agrees that:

7.1.1 Except as otherwise provided herein, this Agreement includes only the right to select sites for the establishment of Restaurants and to submit the same to Franchisor for its approval in accordance with the terms of this Agreement. This Agreement does not include the grant of a license by Franchisor to Multi-Unit Developer of any rights to use the Marks, the System, or to open or operate any Restaurants within the Exclusive Area. Multi-Unit Developer shall obtain the license to use such additional rights at each Restaurant upon the execution of each Franchise Agreement by both Multi-Unit Developer and Franchisor and only in accordance with the terms of each Franchise Agreement.

7.1.2 The Development Rights granted hereunder are personal to Multi-Unit Developer and cannot be sold, assigned, transferred or encumbered, in whole or in part, except as stated in Section XI hereof.

7.1.3 Except as provided in Sections 6.1 and 6.2 hereof, the Development Rights granted hereunder are non-exclusive, and Franchisor retains the right, in its sole discretion:

(a) To continue to construct and operate other Restaurants and to use the System and the Marks at any location outside the Exclusive Area, and to license others to do so.

(b) To develop, use and franchise the rights to any trade names, trademarks, service marks, trade symbols, emblems, signs, slogans, insignia, or copyrights not designated by Franchisor as Marks for use with different franchise systems for the sale of the different products or services not in connection with the System at any location, on such terms and conditions as Franchisor may deem advisable and without granting Multi-Unit Developer any rights therein.

(c) To develop, merchandise, sell and license others to sell any of Franchisor's products, proprietary or otherwise, presently existing or to be developed in the future, to the public through supermarkets, groceries, club stores and other non-restaurant outlets outside or inside of the Exclusive Area and to use the Marks in connection therewith.

(d) To promote or conduct special events within the Exclusive Area, provided, however, that the opportunity to conduct each special event shall first be offered to Multi-Unit Developer in accordance with the terms of any valid and effective Franchise Agreement.

7.1.4 Multi-Unit Developer has sole responsibility for the performance of all obligations arising out of the operation of his business pursuant to this Agreement, including, but not limited to, the payment when due of any and all taxes levied or assessed by reason of such operation.

7.1.5 In all public records, in its relationship with other persons, and in any documents, Multi-Unit Developer shall indicate clearly the independent ownership of Multi-Unit Developer's business and that the operations of said business are separate and distinct from the operation of a DosBros® Restaurant.

7.1.6 Multi-Unit Developer shall at all times preserve in confidence any and all materials and information furnished or disclosed to Multi-Unit Developer by Franchisor and Multi-Unit Developer shall disclose such information or materials only to such of the Multi-Unit Developer's employees or agents who must have access to it in connection with their employment. Multi-Unit Developer shall not at any time, without Franchisor's prior written consent, copy, duplicate, record or otherwise reproduce such materials or information, in whole or in part, nor otherwise make the same available to any unauthorized person.

7.1.7 Multi-Unit Developer shall comply with all requirements of federal, state and local laws, rules and regulations.

7.1.8 Multi-Unit Developer shall at no time have the right to sub-franchise any of its Development Rights hereunder.

SECTION VIII
SERVICES OF FRANCHISOR

Franchisor shall, at its expense, provide the following services:

8.1 Review the Multi-Unit Developer's site selection for conformity to Franchisor's standards and criteria for selection and acquisition of sites upon Franchisor's receipt of Multi-Unit Developer's written request for approval thereof.

8.2 Provide Multi-Unit Developer with standard specifications and layouts for the layout, interior and exterior design, improvements, equipment, furnishings, decor and signs identified with the Restaurants as Franchisor makes available to all multi-unit developers and franchisees from time to time.

8.3 Review of the Multi-Unit Developer's site plan and final build-out plans and specifications for conformity to the construction standards and specifications of the System, upon Franchisor's receipt of Multi-Unit Developer's written request for approval thereof.

8.4 Conduct such on-site evaluation as Franchisor may, in its sole discretion, deem advisable as part of its evaluation of Multi-Unit Developer's request for site approval, provided however, that Franchisor shall not be required to provide such on-site evaluation for any proposed site prior to Franchisor's receipt of a description of such proposed site and a letter of intent (subject to Franchisor's approval) or other evidence satisfactory to Franchisor, which confirms Multi-Unit Developer's favorable prospects for obtaining the proposed site. If deemed appropriate and if the site requires inspection, Franchisor may conduct on-site inspections. Multi-Unit Developer shall reimburse Franchisor for reasonable travel expenses, including food, lodging and other reasonable out of pocket expenses for each Franchisor representative associated with all site inspections.

8.5 Provide such other resources and assistance as may hereafter be developed and offered by Franchisor to its other multi-unit developers.

SECTION IX
DEFAULT AND TERMINATION

9.1 The occurrence of any of the following events of default shall constitute good cause for Franchisor, at its option and without prejudice to any other rights or remedies provided for hereunder or by law or equity, to terminate this Agreement:

9.1.1 If Multi-Unit Developer shall, in any respect, fail to meet the Minimum Performance Schedule.

9.1.2 If Multi-Unit Developer shall use the System or Marks, or any other names, marks, systems, insignia, symbols or rights which are the property of Franchisor except pursuant to, and in accordance with, a valid and effective Franchise Agreement.

9.1.3 If Multi-Unit Developer, or persons controlling, controlled by or under common control with Multi-Unit Developer, shall have any interest, direct or indirect, in the ownership or operation of any food service business engaged in the sale of products similar to those permitted to be sold by a DosBros® Restaurant within the Exclusive Area or in any Restaurant which looks like, copies or imitates the Restaurant or operates in a manner tending to have such effect other than pursuant to a valid and effective Franchise Agreement.

9.1.4 If Multi-Unit Developer shall fail to remit to Franchisor any payments pursuant to Section II when same are due.

9.1.5 If Multi-Unit Developer shall begin work upon any Restaurant at any site unless all the conditions stated in Section III hereof have been met.

9.1.6 If Multi-Unit Developer shall purport to effect any assignment other than in accordance with Section XI hereof.

9.1.7 Except as provided in Section XI hereof, if Multi-Unit Developer attempts to sell, assign, transfer or encumber this Agreement prior to the time that at least twenty-five percent (25%) of the Restaurants to be constructed and opened for business in accordance with the Minimum Performance Schedule are, in fact, open or under construction.

9.1.8 If Multi-Unit Developer makes, or has made, any material misrepresentation to Franchisor in connection with obtaining this Multi-Unit Development Agreement, any site approval hereunder, or any Franchise Agreement.

9.1.9 If Multi-Unit Developer fails to obtain Franchisor's prior written approval or consent, including but not limited to site approval or site plan approval, as expressly required by this Agreement.

9.1.10 If Multi-Unit Developer defaults in the performance of any other obligation under this Agreement.

9.1.11 If Multi-Unit Developer defaults in the performance of any obligation under any Franchise Agreement with Franchisor, provided such default results in the termination of the Franchise Agreement.

9.1.12 If Multi-Unit Developer suffers a violation of any law, ordinance, rule or regulation of a governmental agency in connection with the operation of the Restaurant, and permits the same to go uncorrected after notification thereof, unless there is a bona fide dispute as to the violation or legality of such law, ordinance, rule or regulation, and Multi-Unit Developer promptly resorts to courts or forums of appropriate jurisdiction to contest such violation or legality.

9.1.13 If Multi-Unit Developer or a shareholder, member or partner of Multi-Unit Developer owning twenty-five percent (25%) or more of Multi-Unit Developer's voting stock is convicted in a court of competent jurisdiction of an indictable offense punishable by a term of imprisonment in excess of one (1) year.

9.1.14 If Multi-Unit Developer, or any of Multi-Unit Developer's partners, if Multi-Unit Developer is a partnership, or any of its officers, directors, shareholders, or members, if Multi-Unit Developer is a corporation or limited liability company, shall become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by Multi-Unit Developer or such a petition is filed against and not opposed by Multi-Unit Developer; if Multi-Unit Developer is adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver of Multi-Unit Developer or other custodian for Multi-Unit Developer's business or assets is filed and consented to by Multi-Unit Developer; if a receiver or other custodian (permanent or temporary) of Multi-Unit Developer's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against Multi-Unit Developer; if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); if Multi-Unit Developer is dissolved; if execution is levied against Multi-Unit Developer's business or property; if suit to foreclose any lien or mortgage against the premises or equipment is instituted against Multi-Unit Developer and not dismissed within thirty (30) days; or if the real or personal property of the Multi-Unit Developer's business shall be sold after levy thereupon by any sheriff, marshal, or constable.

9.1.15 If Multi-Unit Developer, or any shareholder or principal, if Multi-Unit Developer is not an individual, or any of its affiliates ceases to operate all of the Restaurants opened pursuant to the terms of this Agreement.

9.2 Upon occurrence of any of the events stated in Section 9.1, Franchisor may, without prejudice to any other rights or remedies contained in this Agreement or provided by law or equity, terminate this Agreement. Such termination shall be effective thirty (30) days after written notice (or such other notice as may be required by applicable state law) is given by Franchisor to Multi-Unit Developer of any of the events stated in this Section 9, Subparagraphs 9.1.1 though 9.1.14, if such defaults are not cured within such period. However, termination shall be effective immediately, without notice and without the necessity of further action by Franchisor, upon occurrence of any of the events specified in this Section 9, Subparagraphs 9.1.1 or 9.1.12 or 9.1.15, except where prohibited by any applicable state or federal law, whereupon this Agreement shall be terminated in accordance with the provisions of any such law.

SECTION X
MULTI-UNIT DEVELOPER'S OBLIGATIONS FOLLOWING TERMINATION

10.1 Upon termination of this Agreement becoming effective for any reason, or upon expiration of the term hereof, Multi-Unit Developer agrees as follows:

10.1.1 To cease immediately any attempts to select sites on which to establish Restaurants.

10.1.2 To cease immediately to hold itself out in any way as a multi-unit developer of Franchisor or to do anything which would indicate a relationship between it and Franchisor.

10.2 No right or remedy herein conferred upon or reserved to Franchisor is exclusive of any other right or remedy provided or permitted by law or in equity.

SECTION XI
TRANSFER OF INTEREST

11.1 This Agreement is personal to Multi-Unit Developer and Multi-Unit Developer shall neither sell, assign, transfer nor encumber this Agreement, the Development Rights, or any other interest hereunder, nor suffer or permit any such assignment, transfer or encumbrance to occur directly, indirectly or contingently by agreement or by operation of law without the prior written consent of Franchisor. Multi-Unit Developer understands that this Agreement may not be pledged, mortgaged, hypothecated, given as security for an obligation or in any manner encumbered. The assignment or transfer of any interest, except in accordance with this Paragraph shall constitute a material breach of this Agreement.

11.2 In the event that Multi-Unit Developer is a corporation or desires to conduct business in a corporate capacity, said corporate entity or assignment to a corporate entity (which may include a corporation, limited liability company or partnership) must receive the prior written approval of Franchisor and Multi-Unit Developer agrees to comply with the provisions hereinafter specified, including without limitation, personal guarantees by one or more equity owners of all of the obligations of said corporate entity or assignee corporate entity to Franchisor and other parties designated by Franchisor. The corporate entity or assignee corporate entity shall not engage in any business activities other than those directly related to the operation of the Restaurant(s) pursuant to the terms and conditions of the Franchise Agreements with Franchisor, and all assets related to the operation of the Restaurant(s) shall be held by the corporate entity or assignee corporate entity. There shall be no transfer fee charged by Franchisor for a one (1) time assignment to a corporate entity.

11.3 If Multi-Unit Developer is a corporation or if Multi-Unit Developer's rights hereunder are assigned to a corporate entity, the Multi-Unit Developer, or those individuals disclosed on Attachment "B" attached hereto shall be the legal and beneficial owner of not less than fifty-one percent (51%) of the outstanding equity of said entity and shall act as such entity's principal officer. The assignment to a corporate entity will not relieve Multi-Unit Developer of personal liability to Franchisor for performance of any of the obligations under this Agreement. Any subsequent transfer of voting rights of the equity of the entity or assignee entity, and any transfer or issuance of equity of the entity or assignee entity shall be subject to Franchisor's prior written approval. Franchisor agrees that it will not unreasonably restrict the issuance or transfer of equity, provided that Multi-Unit Developer complies with the provisions of this Section XI, and provided that in no event shall any equity of such corporate entity or assignee corporate entity be sold, transferred or assigned to a business competitor of Franchisor. The articles of organization and governing documents (including by-laws, operating agreement or partnership agreement) of the entity or assignee entity shall reflect that the issuance and transfer of equity is restricted, and all certificates shall bear the following legend, which shall be printed legibly and conspicuously on each certificate:

> **"The transfer of this certificate is subject to the terms and conditions of a Multi-Unit Development Agreement with BayBros FC LLC, dated __________. Reference is made to said Multi-Unit Development Agreement and related Franchise Agreements and to restrictive provisions of the governing documents of this entity."**

11.4 The entity or assignee entity's records shall indicate that a stop transfer order shall be in effect against the transfer of any equity, except for transfers permitted by this Section XI. In addition to the foregoing, the equity of such entity or assignee entity shall not be publicly sold or traded without the prior express written consent of Franchisor, which shall be given at the sole discretion of Franchisor. In the event that Franchisor approves a public offering of Multi-Unit Developer, Multi-Unit Developer shall present the Disclosure Document or prospectus to Franchisor for its review within a reasonable time prior to such offering becoming effective. In no event shall Multi-Unit Developer offer its securities by use of the name “DosBros®” or any name deceptively similar thereto, however, Multi-Unit Developer may make appropriate reference to the fact the Multi-Unit Developer has a Multi-Unit Development Agreement with Franchisor; nor shall Multi-Unit Developer relinquish control of the new public company. Multi-Unit Developer agrees to indemnify and hold Franchisor harmless from and against any claims, suits, actions or otherwise which arise out of or from such public offering.

11.5 In the event of the death, disability or permanent incapacity of Multi-Unit Developer, Franchisor shall consent to the transfer of all of the interest of Multi-Unit Developer to Multi-Unit Developer’s spouse, heirs or relatives, by blood or marriage, or if this Agreement was originally executed by more than one party, then to the remaining party(ies) who originally executed this Agreement, whether such transfer is made by Multi-Unit Developer’s Last Will and Testament or by operation of law, provided that the requirements of Section XI hereof have been met. In the event that Multi-Unit Developer’s heirs do not obtain the consent of Franchisor as prescribed herein, the personal representative of Multi-Unit Developer shall have a reasonable time to dispose of Multi-Unit Developer’s interest hereunder, which disposition shall be subject to all the terms and conditions for transfers under this Agreement.

11.6 Multi-Unit Developer has represented to Franchisor that he is entering into this Multi-Unit Development Agreement with the intention of complying with its terms and conditions and not for the purpose of resale of the Development Rights hereunder. Therefore, Multi-Unit Developer agrees that any attempt to assign this Agreement, prior to the time that at least twenty-five percent (25%) of the Restaurant(s) to be constructed hereunder are opened or under construction, except pursuant to Sections 11.2 and 11.3 hereof, shall be deemed to be an event of default.

11.7 Except as provided in Section 11.6, if Multi-Unit Developer receives from an unaffiliated third party and desires to accept a bona fide written offer to purchase its business, Development Rights and interests, Franchisor shall have the option, exercisable within thirty (30) days after receipt of written notice setting forth the name and address of the prospective purchaser, the price and terms of such offer, and a copy of such offer and the other information stated in this Section 11.7, to purchase such business, Development Rights and interests, including Multi-Unit Developer’s right to develop sites within the Exclusive Area, on the same terms and conditions as offered by said third party. In order that Franchisor may have information sufficient to enable it to determine whether to exercise its option, Franchisor may require Multi-Unit Developer to deliver to Franchisor certified financial statements as of the end of Multi-Unit Developer’s most recent fiscal year and such other information about the business and operations of Multi-Unit Developer as Franchisor may request. If Franchisor declines, or does not accept the offer in writing within thirty (30) days, Multi-Unit Developer may, within thirty (30) days from the expiration of the option period, sell, assign and transfer its business, Development Rights and interest to said third party, provided Franchisor has consented to such transfer as required by this Section XI. Any material change in the terms of the offer prior to closing of the sale to such third party shall constitute a new offer, subject to the same rights of first refusal by Franchisor or its nominee, as in the case of an initial offer. Failure by Franchisor to exercise the option afforded by this Section 11.7 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section with respect to the proposed transfer.

11.8 Multi-Unit Developer acknowledges and agrees that the restrictions on transfer imposed herein are reasonable and are necessary to protect the Development Rights, the System and the Marks, as well as Franchisor’s reputation and image, and are for the protection of Franchisor, Multi-Unit Developer and other Multi-Unit Developers. Any assignment or transfer permitted by this Section XI shall not be effective until Franchisor receives a completely executed copy of all transfer documents, and Franchisor consents in writing thereto.

11.9 Except as provided in Section 11.6 hereof, Franchisor agrees not to unreasonably withhold its consent to a sale, assignment or transfer by Multi-Unit Developer hereunder. Consent to such transfer otherwise permitted or permissible as reasonable may be refused unless:

11.9.1 All obligations of the Multi-Unit Developer created by this Agreement, all other franchise documents, including all Franchise Agreements, and the relationship created hereunder are assumed by the transferee.

11.9.2 All ascertained or liquidated debts of Multi-Unit Developer to Franchisor or its affiliated or subsidiary corporations are paid.

11.9.3 Multi-Unit Developer is not in default hereunder.

11.9.4 Franchisor is reasonably satisfied that the transferee meets all of the requirements of Franchisor for new multi-unit developers, including but not limited to, good reputation and character, business acumen, operational ability, management skills, financial strength and other business considerations.

11.9.5 Transferee executes or, in appropriate circumstances, causes all necessary parties to execute, Franchisor's standard form of Multi-Unit Development Agreement, Franchise Agreements for all Restaurants open or under construction hereunder, and such other then-current ancillary agreements being required by Franchisor of new multi-unit developers on the date of transfer.

11.9.6 Multi-Unit Developer executes a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor, its officers, directors, employees and principal stockholders of any and all claims and causes of action that he may have against Franchisor or any subsidiary or affiliated corporations in any way relating to this Agreement or the performance or non-performance thereof by Franchisor.

11.9.7 Multi-Unit Developer or transferee pays to Franchisor a transfer fee in an amount equal to fifty percent (50%) of Franchisor's then-current initial franchise fee to cover Franchisor's reasonable costs in effecting the transfer and in providing training and other initial assistance to transferee.

11.10 Upon the death or mental incapacity of any person with an interest of more than fifty percent (50%) in this Agreement or in Multi-Unit Developer, the executor, administrator or personal representative of such person shall transfer his interest to a third party approved by Franchisor within twelve (12) months. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to the same conditions as any inter vivos transfer. However, in the case of transfer by devise or inheritance, if the heirs or beneficiaries of any such person are unable to meet the conditions stated in Section 11.1 hereof, the personal representative of the deceased shall have a reasonable time, not to exceed twelve (12) months from the date said personal representative is appointed, to dispose of the deceased's interest in Multi-Unit Developer or in the Development Rights, which disposition shall be subject to all the terms and conditions for transfers contained in this Agreement. It is understood and agreed, however, that notwithstanding the foregoing, the Minimum Performance Schedule shall be complied with as though no such death or mental incapacity had occurred. In the event the interest described above is not disposed of within such time, Franchisor shall have the right to terminate this Agreement, provided such termination had not previously occurred for failure to perform pursuant to the Minimum Performance Schedule, upon ninety (90) days' notice to Multi-Unit Developer's representative, or Franchisor shall have the right to re-purchase same at the same price being sought by the Multi-Unit Developer's representative.

11.11 Franchisor's consent to a transfer of any interest in Multi-Unit Developer or in the Development Rights pursuant to this Section shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferee.

11.12 Franchisor shall have the right, without the need for Multi-Unit Developer's consent, to assign, transfer or sell its rights under this Agreement to any person, partnership, corporation or other legal entity provided that the transferee agrees in writing to assume all obligations undertaken by Franchisor herein and Multi-Unit Developer receives a statement from both Franchisor and its transferee to that effect. Upon such assignment and assumption, Franchisor shall be under no further obligation hereunder, except for accrued liabilities, if any. Multi-Unit Developer further agrees and affirms that Franchisor may go public; may engage in a private placement of some or all of its securities; may merge, acquire other corporations, or be acquired by another corporation; and/or may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. With regard to any of the above sales, assignments and dispositions, Multi-Unit Developer expressly and specifically waives any claims, demands or damages arising from or related to the loss of Franchisor's name, Marks (or any variation thereof) and System and/or the loss of association with or identification of BayBros FC LLC, as Franchisor under this Agreement. Multi-Unit Developer specifically waives any and all other claims, demands or damages arising from or related to the foregoing merger, acquisition and other business combination activities including, without limitation, any claim of divided loyalty, breach of fiduciary duty, fraud, breach of contract or breach of the implied covenant of good faith and fair dealing.

Multi-Unit Developer agrees that Franchisor has the right, now or in the future, to purchase, merge, acquire or affiliate with an existing competitive or non-competitive franchise network, chain or any other business, regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities as "DosBros®" Restaurants operating under the Marks or any other marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location of these facilities, except that in the event that any of these businesses are located within the Exclusive Area, they will not become "DosBros®" Restaurants.

If Franchisor assigns its rights in this Agreement, nothing herein shall be deemed to require Franchisor to remain in the restaurant business or to offer or sell any products or services to Multi-Unit Developer.

11.13 This Agreement shall inure to the benefit of Franchisor, its successors and assigns, and Franchisor shall have the right to transfer or assign all or any part of its interest herein to any person or legal entity, provided such transferee agrees to perform all of Franchisor's obligations hereunder.

SECTION XII
COVENANTS

12.1 Multi-Unit Developer specifically acknowledges that, pursuant to this Agreement, Multi-Unit Developer will receive valuable training and confidential information, including, without limitation, secret recipes, information regarding the marketing methods and techniques of Franchisor and the System. Multi-Unit Developer covenants that during the term of this Agreement, except as otherwise approved in writing by Franchisor, Multi-Unit Developer and persons controlling, controlled by or under common control with Multi-Unit Developer, shall not, either directly or indirectly, for himself, or through, on behalf of or in conjunction with any person, persons or legal entity:

12.1.1 Divert or attempt to divert any business or client of the Franchised Restaurant to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

12.1.2 Employ or seek to employ any person who is at the time employed by Franchisor or by any other franchisee or multi-unit developer of Franchisor, or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment thereat.

12.1.3 Own, maintain, advise, help, invest in, make loans to, be employed by, engage in or have any interest in any Restaurant or food service business other than the Franchised Restaurant (including any business operated by Multi-Unit Developer prior to entry into this Agreement), which business is of a character and concept similar to the Restaurant, including a Restaurant which offers and sells the same or similar food products (a "Competitive Business").

12.2 Multi-Unit Developer covenants that, except as otherwise approved in writing by Franchisor, Multi-Unit Developer shall not, for a continuous and uninterrupted period commencing upon the expiration or termination of this Agreement, and continuing for two (2) years thereafter (and, in case of any violation of this covenant, for two (2) years after the violation ceases), either directly or indirectly, for himself or herself, or through, on behalf of or in conjunction with any person, persons, partnership or corporation, own, maintain, advise, help, invest in, make loans to, be employed by, engage in or have any interest in any Competitive Business which is located within twenty-five (25) miles of any DosBros® Restaurant in the System.

12.3 Subsections 12.1.3 and 12.2 of this Section shall not apply to ownership by Multi-Unit Developer of less than a five percent (5%) beneficial interest in the outstanding equity securities of any corporation which is registered under the Securities Exchange Act of 1934.

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

12.5 Multi-Unit Developer understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant stated in Sections 12.1 and 12.2 or any portion thereof, without Multi-Unit Developer's consent, effective immediately upon receipt by Multi-Unit Developer of written notice thereof, and Multi-Unit Developer agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section XVI hereof.

12.6 Multi-Unit Developer expressly agrees that the existence of any claim it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section XII.

12.7 Multi-Unit Developer acknowledges that any failure to comply with the requirements of this Section XII would cause Franchisor irreparable injury for which no adequate remedy at law may be available, and Multi-Unit Developer hereby accordingly consents to Franchisor's seeking injunctive relief prohibiting any conduct by Multi-Unit Developer in violation of the terms of this Section XII. Franchisor may further avail itself of any other legal or equitable rights and remedies which it may have under this Agreement or otherwise.

12.8 At Franchisor's request, Multi-Unit Developer shall require and obtain the execution of covenants similar to those described in this Section XII (including covenants applicable upon the termination of a person's relationship with Multi-Unit Developer) from any or all of the following persons:

12.8.1 All managers of Multi-Unit Developer who have received training from Franchisor;

12.8.2 All officers, directors and holders of a beneficial interest of five percent (5%) or more of the securities of Multi-Unit Developer and of any entity directly or indirectly controlling Multi-Unit Developer, if Multi-Unit Developer is a corporation or limited liability company; and

12.8.3 The general partners and any limited partners (including any corporation, and the officers, directors and holders of a beneficial interest of five percent (5%) or more of the securities of any corporation which controls, directly or indirectly, any general or limited partner), if Multi-Unit Developer is a partnership.

Each covenant required by this Section 12.8 shall be in a form satisfactory to Franchisor, including, without limitation, specific identification of Franchisor as a third party beneficiary of such covenants with the independent right to enforce them. Failure by Multi-Unit Developer to obtain execution of a covenant required by this Section 12.8 shall constitute a default under Section IX hereof.

12.9 During the term of this Agreement, an officer or agent of Franchisor shall have the right to inspect any Restaurant in which Multi-Unit Developer has an interest at reasonable times and during normal business hours to the extent reasonably necessary to determine whether the conditions of this Section XII are being satisfied. If, by reason of such inspections or otherwise, Franchisor has reason to believe that Multi-Unit Developer is not in full compliance with the terms of this Section, Franchisor shall give notice of such default to Multi-Unit Developer, specifying the nature of such default. If Multi-Unit Developer denies that it is in default hereunder, as specified by Franchisor, it shall have the burden of establishing that such default does not exist and shall give notice to Franchisor of its position within ten (10) days of receipt of the notice from Franchisor. Unless Multi-Unit Developer so denies such default, it shall immediately take all steps to cure said default in a manner satisfactory to Franchisor.

SECTION XIII
NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by certified or registered mail, return receipt requested, to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to Franchisor:

BAYBROS FC LLC
210 James Asbury Drive NW
Cleveland, Tennessee 37312-2984
ATTENTION: Milan Patel
Email: NalimPatel@yahoo.com

COPY TO: Cipparone & Cipparone, P.A.
1525 International Parkway, Suite 1071
Lake Mary, Florida 32746
ATTENTION: Ryan Cipparone
RCipparone@CipparonePA.com

Notices to the Multi-Unit Developer: ______________________________
____
____

Any notice by certified or registered mail shall be deemed to have been given at the date and time of mailing.

SECTION XIV
INDEPENDENT CONTRACTOR AND INDEMNIFICATION

14.1 It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose whatsoever. Each party to this Agreement is an independent contractor, and neither shall be responsible for the debts or liabilities incurred by the other.

14.2 Multi-Unit Developer shall hold itself out to the public to be an independent contractor operating pursuant to this Agreement. Multi-Unit Developer agrees to take such actions as shall be necessary to that end.

14.3 Multi-Unit Developer understands and agrees that nothing in this Agreement authorizes Multi-Unit Developer to make any contract, agreement, warranty or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name, and that Franchisor assumes no liability for, nor shall be deemed liable by reason of, any act or omission of Multi-Unit Developer or any claim or judgment arising therefrom. Multi-Unit Developer shall indemnify and hold Franchisor and its officers, directors, and employees harmless against any and all such claims arising directly or indirectly from, as a result of, or in connection with Multi-Unit Developer's activities hereunder, as well as the cost, including reasonable attorneys' fees, of defending against them, except that the foregoing shall not apply to infringement actions regarding the Marks which are caused solely by actions of Franchisor or actions caused by the negligent acts of Franchisor or its agents.

SECTION XV
APPROVALS

15.1 Whenever this Agreement requires the prior approval or consent of Franchisor, Multi-Unit Developer shall make a timely written request to Franchisor therefor, and, except as otherwise provided herein, any approval or consent granted shall be in writing.

15.2 Franchisor makes no warranties or guarantees upon which Multi-Unit Developer may rely, and assumes no liability or obligation to Multi-Unit Developer or any third party to which it would not otherwise be subject, by providing any waiver, approval, advise, consent or services to Multi-Unit Developer in connection with this Agreement, or by reason of any neglect, delay or denial of any request therefor.

SECTION XVI
NON-WAIVER

No failure of Franchisor to exercise any power reserved to it under this Agreement or to insist upon compliance by Multi-Unit Developer with any obligation or condition in this Agreement, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of Franchisor's rights to demand exact compliance with the terms of this Agreement. Waiver by Franchisor of any particular default shall not affect or impair Franchisor's right with respect to any subsequent default of the same or of a different nature; nor shall any delay, forbearance or omission of Franchisor to exercise any power or right arising out of any breach or default by Multi-Unit Developer of any of the terms, provisions or covenants of this Agreement affect or impair Franchisor's rights, nor shall such constitute a waiver by Franchisor of any rights hereunder or rights to declare any subsequent breach or default.

SECTION XVII
SEVERABILITY AND CONSTRUCTION

17.1 Each covenant and provision of this Agreement shall be construed as independent of any other covenant or provision of this Agreement. The provisions of this Agreement shall be deemed severable.

17.2 If all or any portion of a covenant or provision of this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a decision to which Franchisor is a party, Multi-Unit Developer expressly agrees to be bound by any lesser covenant or provision imposing the maximum duty permitted by law which is subsumed within the terms of such covenant or provision, as if that lesser covenant or provision were separately stated in and made a part of this Agreement.

17.3 Nothing in this Agreement shall confer upon any person or legal entity other than Franchisor or Multi-Unit Developer, and such of their respective successors and assigns as may be contemplated by Section XI hereof, any rights or remedies under or by reason of this Agreement.

17.4 All captions in this Agreement are intended solely for the convenience of the parties and none shall be deemed to affect the meaning or construction of any provision hereof.

17.5 All references herein to gender and number shall be construed to include such other gender and number as the context may require, and all acknowledgments, promises, covenants, agreements and obligations herein made or undertaken by Multi-Unit Developer shall be deemed jointly and severally undertaken by all those executing this Agreement on behalf of Multi-Unit Developer.

17.6 This Agreement may be executed in triplicate, or such other number as is required, and each copy of the executed Agreement shall be deemed an original.

SECTION XVIII
ENTIRE AGREEMENT - APPLICABLE LAW

This Agreement, the documents referred to herein and the Exhibits attached hereto constitute the entire, full and complete agreement between Franchisor and Multi-Unit Developer concerning the subject matter hereof and supersede any and all prior agreements; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by Franchisor in the Disclosure Document that was furnished to Multi-Unit Developer by Franchisor. No amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. This Agreement shall be interpreted and construed under the laws of the State of Tennessee, and the parties hereto consent to irrevocably submit to the jurisdiction of all courts located within the State of Tennessee, in the County of BayBros FC LLC's principal headquarters.

ARTICLE XIX
DISPUTE RESOLUTION

19.1 Franchisor and Multi-Unit Developer agree that, except for controversies, disputes, or claims related to or based on improper use of the Proprietary Marks or confidential information, all controversies, disputes, or claims between Franchisor and Franchisor's affiliates, and Franchisor's and their respective shareholders, members, officers, directors, agents, and/or employees, and Multi-Unit Developer (and/or Multi-Unit Developer's owners, guarantors, affiliates, and/or employees) arising out of or related to:

(a) this Agreement or any other agreement between Multi-Unit Developer and Franchisor;

(b) Franchisor's relationship with Multi-Unit Developer;

(c) the validity of this Agreement or any other agreement between Multi-Unit Developer and Franchisor; or

(d) any System Standard;

may be submitted for binding arbitration, on demand of either party, to the American Arbitration Association in the United States ("AAA"). The arbitration proceedings will be conducted by one arbitrator and, except as this Subsection otherwise provides, according to the AAA's then current rules. All proceedings will be conducted at a suitable location chosen by the arbitrator which is within a five (5) mile radius of Franchisor's then current principal place of business. All matters relating to arbitration will be governed by the United States Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

The arbitrator has the right to award or include in his or her award any relief which he or she deems proper, including, without limitation, money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs (as allowable under this Agreement or applicable law), provided that the arbitrator may not declare any Proprietary Mark generic or otherwise invalid or, except as expressly provided in Section 19.7 below, award any punitive, exemplary or multiple damages against either party (Franchisor and Multi-Unit Developer hereby waiving to the fullest extent permitted by law, except as expressly provided in Section 19.7 below, any right to or claim for any punitive, exemplary or multiple damages against the other).

Franchisor and Multi-Unit Developer agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement, whichever expires earlier. Franchisor and Multi-Unit Developer further agree that, in any arbitration proceeding, each must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the United States Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any claim which is not submitted or filed as required is forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either Multi-Unit Developer or Franchisor.

Franchisor and Multi-Unit Developer agree that arbitration will be conducted on an individual, not a class-wide, basis and that an arbitration proceeding between Franchisor and Franchisor's affiliates, and Franchisor's and their respective shareholders, officers, directors, agents, and/or employees, and Multi-Unit Developer (and/or Multi-Unit Developer's owners, guarantors, affiliates, and/or employees) may not be consolidated with any other arbitration proceeding between Franchisor and any other person.

Despite Franchisor's and Multi-Unit Developer's agreement to arbitrate, Franchisor and Multi-Unit Developer each have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction; provided, however, that Franchisor and Multi-Unit Developer must contemporaneously submit Franchisor's dispute for arbitration on the merits as provided in this Subsection.

The provisions of this Subsection are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.

19.2 if Franchisor shall desire to seek specific performance or other extraordinary relief including, but not limited to, injunctive relief under this Agreement, and any amendments thereto, or to collect monies due, then any such action shall not be subject to arbitration and Franchisor shall have the right to bring such action as described in Section 19.5.

19.3 In proceeding with arbitration and in making determinations hereunder, the arbitrators shall not extend, modify or suspend any terms of this Agreement or the reasonable standards of business performance and operation established by Franchisor in good faith. Notice of or request to or demand for arbitration shall not stay, postpone or rescind the effectiveness of any termination of this Agreement. The arbitrators shall apply Tennessee law and the terms of this Agreement in reaching their decision.

19.4 With respect to any claims, controversies or disputes which are not finally resolved through arbitration, or as otherwise provided above, Multi-Unit Developer and its owners hereby irrevocably submit themselves to the jurisdiction of the state courts of Bradley County (the current location of Franchisor's headquarters), Tennessee and the Federal District Court closest to Franchisor's headquarters. Multi-Unit Developer and its owners hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision. Multi-Unit Developer and its owners hereby agree that service of process may be made upon any of them in any proceeding relating to or arising out of this Agreement or the relationship created by this Agreement by any means allowed by Tennessee or Federal law. Multi-Unit Developer and its owners further agree that venue for any proceeding relating to or arising out of this Agreement shall be the County of Franchisor's headquarters; provided, however, with respect to any action (1) for monies owed, (2) for injunctive or other extraordinary relief or (3) involving possession or disposition of, or other relief relating to, real property, Franchisor may bring such action in any State or Federal District Court which has jurisdiction. With respect to all claims, controversies, disputes or actions, related to this Agreement or the relationship created thereby, this Agreement and any such related claims, controversies, disputes or actions shall be governed, enforced and interpreted under Tennessee law.

19.5 Multi-Unit Developer, its owners and Franchisor acknowledge that the parties' agreement regarding applicable state law and forum set forth in Section 19.4 above provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising out of this Agreement or the parties' relationship created by this Agreement. Each of Multi-Unit Developer, its owners and Franchisor further acknowledge the receipt and sufficiency of mutual consideration for such benefit and that each party's agreement regarding applicable state law and choice of forum have been negotiated in good faith and are part of the benefit of the bargain reflected by this Agreement.

19.6 Multi-Unit Developer, its owners and Franchisor acknowledge that the execution of this Agreement and acceptance of the terms by the parties occurred in Bradely County, Tennessee, and further acknowledge that the performance of certain obligations of Multi-Unit Developer arising under this Agreement, including, but not limited to, the payment of monies due hereunder and the satisfaction of certain training requirements of Franchisor, shall occur in Bradley County, Tennessee.

19.7 Multi-Unit Developer, its owners and Franchisor hereby waive, to the fullest extent permitted by law, any right to or claim or any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against either party, their officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, either party shall be limited to the recovery of any actual damages sustained by it. 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 damages (including, without limitation, loss of profits) shall continue in full force and effect.

SECTION XX
TIMELY PERFORMANCE

Multi-Unit Developer hereby acknowledges that its timely development of the Restaurants in the Exclusive Area in accordance with the Minimum Performance Schedule is of material importance to Franchisor and Multi-Unit Developer. Multi-Unit Developer agrees, as a condition of the continuance of the rights granted hereunder, to develop and open Restaurants within the Exclusive Area in accordance with the Minimum Performance Schedule, to operate such Restaurants pursuant to the terms of the Franchise Agreements and to maintain all such Restaurants in operation continuously. Franchisor agrees to diligently act upon any request of or approval from Multi-Unit Developer and any material delay in Multi-Unit Developer’s ability to meet the Minimum Performance Schedule which is directly caused by Franchisor’s failure to act diligently upon a request for approval shall not constitute a default hereunder. Further, a failure or delay in performance by any party to this Development Agreement shall not be a default hereunder if such failure or delay arises out of or results from a Force Majeure, which for purposes of this Development Agreement shall be defined as fire, flood, earthquake or other natural disasters, or acts of a public enemy, war, rebellion or sabotage.

SECTION XXI
ACKNOWLEDGMENTS

21.1 MULTI-UNIT DEVELOPER ACKNOWLEDGES THAT THE SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT INVOLVES SUBSTANTIAL BUSINESS RISKS AND WILL BE TOTALLY AND COMPLETELY DEPENDENT UPON THE ABILITY OF MULTI-UNIT DEVELOPER AS AN INDEPENDENT BUSINESS PERSON. FRANCHISOR EXPRESSLY DISCLAIMS THE MAKING OF, AND MULTI-UNIT DEVELOPER ACKNOWLEDGES NOT HAVING RECEIVED, ANY WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, AS TO THE POTENTIAL VOLUME, PROFITS OR SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT.

21.2 MULTI-UNIT DEVELOPER ACKNOWLEDGES HAVING RECEIVED, READ AND UNDERSTOOD THIS AGREEMENT, THE EXHIBITS ATTACHED HERETO AND AGREEMENTS RELATING HERETO, IF ANY, AND THE DISCLOSURE DOCUMENT DELIVERED SIMULTANEOUSLY HEREWITH; AND FRANCHISOR HAS ACCORDED MULTI-UNIT

DEVELOPER AMPLE TIME AND OPPORTUNITY TO CONSULT WITH ADVISORS OF MULTI-UNIT DEVELOPER'S OWN CHOOSING ABOUT THE POTENTIAL RISKS OF ENTERING INTO THIS AGREEMENT.

21.3 MULTI-UNIT DEVELOPER ACKNOWLEDGES THAT HE RECEIVED THE DISCLOSURE DOCUMENT REQUIRED BY THE TRADE REGULATION RULE OF THE FEDERAL TRADE COMMISSION ENTITLED "DISCLOSURE REQUIREMENTS AND PROHIBITIONS CONCERNING FRANCHISING AND BUSINESS OPPORTUNITY VENTURES" AT LEAST FOURTEEN (14) CALENDAR DAYS PRIOR TO THE DATE ON WHICH THIS AGREEMENT WAS EXECUTED.

21.4 MULTI-UNIT DEVELOPER AND EACH OF ITS PRINCIPALS, IF A CORPORATE ENTITY, EXPRESSLY ACKNOWLEDGE THAT NEITHER IT NOR THEY HAVE RELIED UPON ANY EARNINGS CLAIMS, SUCH AS ORAL OR WRITTEN STATEMENTS OR SUGGESTIONS, MADE BY ANY REPRESENTATIVE OF OR ANY OTHER PERSON PURPORTING TO BE ACTING ON BEHALF OF FRANCHISOR REGARDING THE POTENTIAL FUTURE SALES, REVENUES OR PROFITS WHICH MAY BE DERIVED FROM OPERATION OF FRANCHISOR BUSINESSES OR DEVELOPMENT OF THE EXCLUSIVE AREA.

SECTION XXII
EFFECTIVE DATE

This Agreement shall be effective as of the date it is executed by Franchisor.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Agreement in triplicate on the day and year first above written.

BAYBROS FC LLC

______________________________	By:____________________________
WITNESS	Name:__________________________
	Title:___________________________

MULTI-UNIT DEVELOPER:

______________________________	By:____________________________
WITNESS	Name:__________________________
	Title:___________________________

BAYBROS FC LLC
MULTI-UNIT DEVELOPMENT AGREEMENT

ATTACHMENT "A"
CERTIFICATION BY MULTI-UNIT DEVELOPER

The undersigned, personally and as an officer or partner of Multi-Unit Developer, as applicable, does hereby certify that he has conducted an independent investigation of the business contemplated by this Multi-Unit Development Agreement and the BAYBROS FC LLC Franchise Agreement, and that the decision to execute the Multi-Unit Development Agreement was based entirely upon the independent investigation by the undersigned; and the undersigned further certifies that he has not relied upon, in any way, any claims regarding potential sales, income, or earnings to be derived from the business contemplated by the Franchise Agreement and Multi-Unit Development Agreement, and has not relied upon any claims regarding past or current sales, income or earnings of Franchisor-operated "DosBros® " Restaurants. The undersigned further certified that he understands the risks involved in this investment and BAYBROS FC LLC makes no representation or guaranty, explicit or implied, that the Multi-Unit Developer will be successful or will recoup his investment.

IN WITNESS WHEREOF, the undersigned has signed, sealed and delivered this Certificate this _____ day of ________, 20__.

___________________________________ WITNESS	___________________________________
___________________________________ WITNESS	___________________________________
___________________________________ WITNESS	___________________________________

Each of the undersigned owns a five percent (5%) or greater beneficial interest in Multi-Unit Developer, each has read this Multi-Unit Development Agreement, and each agrees to be individually bound by all obligations of Multi-Unit Developer hereunder.

___________________________________ WITNESS	___________________________________
___________________________________ WITNESS	___________________________________
___________________________________ WITNESS	___________________________________

BAYBROS FC LLC
MULTI-UNIT DEVELOPMENT AGREEMENT

ATTACHMENT "B"
GUARANTY

(TO BE EXECUTED ONLY IF MULTI-UNIT DEVELOPER IS A CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP)

In consideration of the execution by BAYBROS FC LLC of the annexed Multi-Unit Development Agreement, and acknowledging that undersigned will benefit directly or indirectly from the execution thereof, the undersigned, being all of the shareholders, directors, and officers of the Multi-Unit Developer, agree to be jointly and severally bound by and agree to guaranty the performance of all of the terms and conditions of the Multi-Unit Development Agreement and any amendments thereto or renewals thereof, and do hereby execute this Multi-Unit Development Agreement for the purpose of binding and obligating themselves to the terms and conditions of the aforesaid Multi-Unit Development Agreement and any amendments thereto or renewals thereof.

The guarantors hereunder hereby waive notice of termination or default under the Multi-Unit Development Agreement.

SIGNATURES OF ALL SHAREHOLDERS, DIRECTORS, OFFICERS, MEMBERS AND PARTNERS, AS APPLICABLE

______________________________ ______________________________
WITNESS

______________________________ ______________________________
WITNESS

______________________________ ______________________________
WITNESS

Each of the undersigned owns a five percent (5%) or greater beneficial interest in Multi-Unit Developer, each has read this Multi-Unit Development Agreement, and each agrees to be individually bound by all obligations of Multi-Unit Developer hereunder.

______________________________ ______________________________
WITNESS

______________________________ ______________________________
WITNESS

______________________________ ______________________________
WITNESS

BAYBROS FC LLC
MULTI-UNIT DEVELOPMENT AGREEMENT

ATTACHMENT "C"
TRANSFER OF A FRANCHISE TO
A CORPORATION OR LIMITED LIABILITY COMPANY

This Transfer Agreement hereby amends that certain Franchise Agreement dated ____________, 20___ between BAYBROS FC LLC ("Franchisor") and ______________________ ("Multi-Unit Developer").

The undersigned, an Officer, Director and Owner of a majority of the issued and outstanding voting stock of the Corporation set forth below, or Members of the issued and outstanding Interests of the Limited Liability Company set forth below, and the Multi-Unit Developer of the Restaurants under a Multi-Unit Development Agreement executed on the date set forth below, between himself or herself and Franchisor, granting him/her a franchise to operate in the Exclusive Area(s) set forth below, and the other undersigned Directors, Officers and Shareholders of the Corporation, or the Members of the Limited Liability Company, who together with Multi-Unit Developer constitute all of the Shareholders of the Corporation, or the Members of the Limited Liability Company, in order to induce Franchisor to consent to the assignment of the Multi-Unit Development Agreement to the Corporation or Limited Liability Company in accordance with the provisions of Section XI of the Multi-Unit Development Agreement, agree as follows:

1. The undersigned Multi-Unit Developer shall remain personally liable in all respects under the Multi-Unit Development Agreement and all the other undersigned Officers, Directors and Shareholders of the Corporation, or the Members of the Limited Liability Company, intending to be legally bound hereby, agree jointly and severally to be personally bound by the provisions of the Multi-Unit Development Agreement including the restrictive covenants contained in Section XII thereof, to the same extent as if each of them were the Multi-Unit Developer set forth in the Multi-Unit Development Agreement and they jointly and severally personally guarantee all of the Multi-Unit Developer's obligations set forth in said Agreement.

2. The undersigned agree not to transfer any stock in the Corporation, or any interest in the Limited Liability Company without the prior written approval of the Franchisor and agree that all stock certificates representing shares in the Corporation, or all certificates representing interests in the Limited Liability Company shall bear the following legend:

> "The shares of stock represented by this certificate are subject to the terms and conditions set forth in a Multi-Unit Development Agreement dated ____________, 20__ between _____________________ and BAYBROS FC LLC"
>
> or
>
> "The ownership interests represented by this certificate are subject to the terms and conditions set forth in a Multi-Unit Development Agreement dated ____________, 20__ between _________________________ and "BAYBROS FC LLC"

3. ___________________ or his designee shall devote his best efforts to the day-to-day operation and development of the Restaurants.

4. ___________________ hereby agrees to become a party to and to be bound by all of the provisions of the Multi-Unit Development Agreement executed on the date set forth below between Multi-Unit Developer and BAYBROS FC LLC, to the same extent as if it were named as the Multi-Unit Developer therein.

Date of Multi-Unit Development Agreement: ____________________________________

Exclusive Area: ____

WITNESS:	As to Paragraph 3:
_________________________________	_________________________________ [Name]
	As to Paragraph 4:
_________________________________	_________________________________ [Name]
ATTEST:	_________________________________ Name of Corp. or Limited Liability Company
_________________________________	By:_______________________ Title:____________________________

In consideration of the execution of the above Agreement, BAYBROS FC LLC hereby consents to the above referred to assignment on this _____ day of ____________________, 20__.

BAYBROS FC LLC

By:______________________________
Name:____________________________
Title:____________________________

BAYBROS FC LLC
MULTI-UNIT DEVELOPMENT AGREEMENT

EXHIBIT "A"

Minimum Performance Schedule

The Agreement authorizes and obliges Multi-Unit Developer to establish and operate _______________ (___) "DosBros®" Restaurants pursuant to a Franchise Agreement for each Restaurant. The following is Multi-Unit Developer's Minimum Performance Schedule:

Restaurant Number	Open & Operating On or Before	Payments Made	Balance Due For Store(s)	Due Date
Fees & Deposits for Units ___		**$**	**See Below**	Upon simultaneous Execution of Franchise Agreement and Multi-Unit Development Agreement
1		$35,000.00	$ -0-	Paid in full upon execution of the Franchise Agreement
2		$15,000.00	$15,000.00	Upon execution of the Franchise Agreement
__				Upon execution of the Franchise Agreement
__				Upon execution of the Franchise Agreement

APPROVED:

MULTI-UNIT DEVELOPER

By:_______________________________
Name:_____________________________
Title:______________________________

BAYBROS FC LLC

By:_______________________________
Name:_____________________________
Title:______________________________

BAYBROS FC LLC
MULTI-UNIT DEVELOPMENT AGREEMENT

EXHIBIT “B”

Exclusive Area

The following describes the Exclusive Area within which Multi-Unit Developer may locate “DosBros®” Restaurants under this Agreement:

____

____

____

APPROVED:

MULTI-UNIT DEVELOPER	BAYBROS FC LLC
By:______________________________	By:______________________________
Name:____________________________	Name:____________________________
Title:_____________________________	Title:_____________________________

BAYBROS FC, LLC
MULTI-UNIT DEVELOPMENT AGREEMENT

EXHIBIT "C"

STATE-SPECIFIC ADDENDA

ILLINOIS ADDENDUM TO THE MULTI-UNIT DEVELOPMENT AGREEMENT

(Applies only to Illinois franchisees)

This Illinois Addendum to the Multi-Unit Development Agreement is made in recognition of Illinois law and the parties to the attached Baybros FC, LLC Multi-Unit Development Agreement (the "Agreement") agree as follows:

1. Illinois law governs the Agreement(s).

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

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

4. In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

5. Pursuant to Section 200.500 of the Administrative Rules, the Franchisor shall defer the payment of initial franchise fees owed to the Franchisor, or its affiliate, until such time as all pre-opening obligations owed to the Franchisee under the franchise Agreement or other agreements have been fulfilled by the Franchisor and the Franchisee has commenced doing business pursuant to the Franchise Agreement.

[Signature page to follow]

[Signature page to the Illinois Addendum to the Multi-Unit Development Agreement]

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms as of this _____ day of ______________________, __________.

MULTI-UNIT DEVELOPER
(If Entity)

____
Name of Entity

By:___________________________________
Print Name:___________________________
Title:_________________________________

(If Individuals)

By:___________________________________
Print Name:___________________________

By:___________________________________
Print Name:___________________________

FRANCHISOR
BAYBROS FC, LLC

By:___________________________________
Print Name:___________________________
Title:_________________________________

INDIANA ADDENDUM TO THE MULTI-UNIT DEVELOPMENT AGREEMENT

(Applies only to Indiana franchisees)

The following Addendum modifies and supersedes the Baybros FC, LLC Multi-Unit Development Agreement (the "Agreement") with respect to DosBros® franchises offered or sold to either a resident of the State of Indiana or a non-resident who will be operating a DosBros® franchise in the State of Indiana pursuant to the Indiana Deceptive Franchise Practices Law, Indiana Code §§ 23-2-2.7-1 through 23-2-2.7-10, and the Indiana Franchise Disclosure Law, Indiana Code §§ 23-2-2-2.5-1 through 23-2-2-2.5-51, as follows:

1. The Agreement contains a covenant not to compete that extends beyond the termination of the Agreement. This provision may not be enforceable under Indiana law.

2. Section 11.4 of the Agreement contains a provision requiring a general release as a condition of transfer of the franchise. This provision is inapplicable under the Indiana Deceptive Franchise Practices Law, IC § 23-2-2.7-1(5).

3. Section 18 of the Agreement is amended to provide that in the event of a conflict of law, the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practices Law will prevail.

4. Section 19.4 of the Agreement is amended to provide that arbitration between Developer and Franchisor will be conducted at a mutually agreed-on location.

5. Nothing in the Agreement will abrogate or reduce any rights Multi-Unit Developer has under Indiana law.

6. Franchisor and Multi-Unit Developer agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or the Agreement, whichever expires earlier.

7. Each provision of this Addendum will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practices Act are met independently without reference to this Addendum.

8. All capitalized terms used but not defined in this Addendum shall have the meanings set forth in the Agreement. To the extent this Addendum is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Addendum shall govern.

[Signatures Appear on Following Page]

Each of the undersigned hereby acknowledges having read, understood, and executed this Addendum on ________________________, 20____.

MULTI-UNIT DEVELOPER
(If Entity)

____
Name of Entity

By:_________________________________
Print Name:__________________________
Title:_______________________________

(If Individuals)

By:_________________________________
Print Name:__________________________

By:_________________________________
Print Name:__________________________

FRANCHISOR
BAYBROS FC, LLC

By:_________________________________
Print Name:__________________________
Title:_______________________________

EXHIBIT D TO THE DISCLOSURE DOCUMENT
MULTI-STATE ADDENDUM

ADDENDUM REQUIRED BY THE STATE OF CALIFORNIA

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.

CALIFORNIA CORPORATIONS CODE SECTION 31125 REQUIRES THAT WE GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER OF BUSINESS OVERSIGHT OF THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OR A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

Neither we nor any person or franchise broker identified in Item 2 of this Disclosure Document 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, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in that association or exchange.

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

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

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.*

The Franchise Agreement and Development Agreement each provide for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. Sec. 101 et seq.).

The Franchise Agreement and Development Agreement each contain a covenant not to compete which extends beyond the termination of the Franchise Agreement or the Development Agreement. These provisions may not be enforceable under California law.

The Franchise Agreement and Development Agreement each contain a waiver of punitive damages. These provisions may not be enforceable under California law.

THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT EACH REQUIRE APPLICATION OF THE LAWS OF TENNESSEE. THESE PROVISIONS MAY NOT BE ENFORCEABLE UNDER CALIFORNIA LAW.

THE FRANCHISE AGREEMENT AND THE DEVELOPMENT AGREEMENT EACH REQUIRE LITIGATION OR BINDING ARBITRATION. THE ARBITRATION WILL OCCUR AT THE OFFICE OF THE AMERICAN ARBITRATION ASSOCIATION CLOSEST TO CLEVELAND, TENNESSEE WITH EACH PARTY RESPONSIBLE FOR ITS OWN COSTS. THESE PROVISIONS MAY NOT BE ENFORCEABLE UNDER CALIFORNIA LAW.

YOU 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 PROCEDURES SECTION 1281, AND THE FEDERAL ARBITRATION ACT) TO ANY PROVISIONS OF A FRANCHISE AGREEMENT OR DEVELOPMENT AGREEMENT RESTRICTING VENUE TO A FORUM OUTSIDE THE STATE OF CALIFORNIA.

Each provision of this Addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, the jurisdictional requirements of the California Franchise Investment Law and the California Franchise Relations Act are met independently, without reference to this Addendum to the Disclosure Document, and only to the extent such provision is a then valid requirement of the statute.

ADDENDUM REQUIRED BY THE STATE OF HAWAII

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

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS 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.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE DEVELOPMENT AGREEMENT AND THE FRANCHISE AGREEMENT. THESE CONTRACTS OR AGREEMENTS SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

The Franchise Agreement contains provisions requiring a general release as a condition of renewal and transfer of the franchise. Such release will exclude claims arising under the Hawaii Franchise Investment Law.

The Sections in the Franchise Agreement and Development Agreement that relate to non-renewal, termination, and transfer are only applicable if they are not inconsistent with the Hawaii Franchise Investment Law. Otherwise, the Hawaii Franchise Investment Law will control.

The Development Agreement and the Franchise Agreement each provide for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law (11 U.S.C. §101, et seq.).

Item 20 will be amended by the addition of the following paragraph:

As of the dates listed in Attachment 1, this Disclosure Document is or will be effective in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin, and exempt from registration in Florida, Kentucky, Texas, and Utah. No states have refused, by order or otherwise, to register these franchises. No states have revoked or suspended the right to offer these franchises. The proposed registration of these franchises has not been involuntarily withdrawn in any state.

ADDENDUM REQUIRED BY THE STATE OF ILLINOIS

Illinois law shall apply to and govern the Franchise Agreement(s).

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place out of Illinois.

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

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Items 5 and 7 of this Disclosure Document is modified to include the following paragraph:

Pursuant to Section 200.500 of the Administrative Rules, the Franchisor shall defer the payment of initial franchise fees owed to the Franchisor, or its affiliate, by the Franchisee until such time as all pre-opening obligations owed to the Franchisee under the Franchise Agreement or other agreements have been fulfilled by the Franchisor and the Franchisee has commenced doing business pursuant to the Franchise Agreement.

ADDENDUM REQUIRED BY THE STATE OF INDIANA

The Franchise Agreement and the Development Agreement each contain a covenant not to compete that extends beyond the termination of the Franchise Agreement and the Development Agreement. These provisions may not be enforceable under Indiana law.

Indiana law makes unilateral termination of a franchise unlawful unless there is a material violation of the Franchise Agreement or the Development Agreement and the termination is not done in bad faith.

If Indiana law requires the Franchise Agreement, the Development Agreement and all related documents to be governed by Indiana law, then nothing in the Franchise Agreement, the Development Agreement or related documents referring to Tennessee law will abrogate or reduce any of your rights as provided for under Indiana law.

Item 8, "Restrictions on Sources of Products and Services," is amended by the addition of the following language:

> Any benefits derived as a result of a transaction with suppliers for Indiana franchisees will be kept by us as compensation for locating suppliers and negotiating prices for you.

Indiana law prohibits a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Law.

Although the Franchise Agreement and the Development Agreement each require litigation or arbitration to be held in the office of the American Arbitration Association closest to Cleveland, Tennessee, held under the Franchise Agreement or the Development Agreement must take place in Indiana if you so request. If you choose Indiana, we have the right to select the location in Indiana.

ADDENDUM REQUIRED BY THE STATE OF MARYLAND

Item 17 of this Disclosure Document is modified as follows:

The general release language required as a condition of renewal, sale and/or assignment or transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

The Franchise Agreement and Development Agreement each provide for termination upon your bankruptcy. This provision might not be enforceable under federal bankruptcy law (11. U.S.C. Sections 101 et seq.), but we will enforce it to the extent enforceable.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of your franchise.

To the extent that any provisions of the Development Agreement, Franchise Agreement and/or Franchisee Disclosure Questionnaire require you to assent to any release, estoppel or waiver of liability as a condition to your purchasing a DosBros® franchise, such provisions are not intended to nor shall they act as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law.

ADDENDUM REQUIRED BY THE STATE OF MINNESOTA

We will protect your right to use the Marks and/or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Marks.

Minn. Rule 2860.4400D prohibits us from requiring you to assent to a general release. Any release you sign as a condition of renewal or transfer will not apply to any claims you may have under the Minnesota Franchise Law.

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 for nonrenewal of the Franchise Agreement.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in this Disclosure Document, the Development Agreement or the 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.

Minn. Rule Part 2860.4400J prohibits us from requiring you to waive your rights to a jury trial or waive your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes.

ADDENDUM REQUIRED BY THE STATE OF NEW YORK

Registration of this franchise by the State of New York does not mean that the State of New York recommends it or has verified the information in this Disclosure Document.

All references to "Disclosure Document" will be deemed to include the term "Offering Prospectus" as used under the General Business Law of New York.

Item 3 of this Disclosure Document is supplemented with the following:

Except as disclosed in this Item 3, neither the franchisor, its predecessor, nor any person identified in Item 2 of this Disclosure Document, 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, or misappropriation of property; or unfair or deceptive practices or comparable civil or misdemeanor allegations; including 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 a 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.

Item 4 of this Disclosure Document is supplemented with the following:

> Except as disclosed in this Item 4, the franchisor, its affiliates, its predecessor, nor any officers or general partner during the 10 year period immediately before the date of this 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 U.S. Bankruptcy Code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within one year after the officer or general partner of the franchisor held this position in the company or partnership.

Under the Franchise Agreement, the Operations Manual we issue may be modified and you are bound by such modifications. However, no such modifications may impose an unreasonable economic burden on you.

Item 17 of this Disclosure Document, the summary column of part (d) for the Development Agreement, is modified to include the following sentence:

> You can also terminate the Development Agreement on any grounds available by law.

Item 17 of this Disclosure Document, the summary column of part (d) for the Franchise Agreement, is modified to include the following sentence:

> You can also terminate the Franchise Agreement on any grounds available by law.

Item 17 of this Disclosure Document, the summary column of part (j) for the Development Agreement, is modified to include the following sentence:

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

Item 17 of this Disclosure Document, the summary column of part (j) for the Franchise Agreement, is modified to include the following sentence:

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

Item 17 of this Disclosure Document, the summary column of part (w) for the Development Agreement, is modified to include the following sentence:

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

Item 17 of this Disclosure Document, the summary column of part (w) for the Franchise Agreement, is modified to include the following sentence:

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

WE MAY NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, WE CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON YOU TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS.

ADDENDUM REQUIRED BY THE STATE OF NORTH DAKOTA

The Franchise Agreement and the Development Agreement each contain a covenant not to compete which extends beyond the termination of the Franchise Agreement or the Development Agreement. These provisions may not be enforceable under North Dakota law.

Although the Franchise Agreement and the Development Agreement each provide that the place of litigation or arbitration will be held at the American Arbitration Association office that is closest to Cleveland, Tennessee, we agree that the place of arbitration will be a location that is in close proximity to the site of your business.

The Franchise Agreement and the Development Agreement each require that you consent to the jurisdiction of a court in close proximity to our principal executive offices. These provisions may not be enforceable under North Dakota law because North Dakota law precludes you from consenting to jurisdiction of any court outside of North Dakota.

Although the Franchise Agreement and the Development Agreement each provide that the Franchise Agreement and the Development Agreement will be governed by and construed in accordance with the laws of the State of Tennessee, we agree that the laws of the State of North Dakota will govern the Franchise Agreement and the Development Agreement.

A contractual requirement that you sign a general release may be unenforceable under the laws of North Dakota.

Notwithstanding anything contained in the Franchise Agreement or the Development Agreement to the contrary, each party shall bear its owns costs and expenses in connection with any enforcement action brought by either party under the Franchise Agreement or Development Agreement.

To the extent any provisions of the Franchise Agreement or Development Agreement require you to consent to a waiver of exemplary or punitive damages, these provisions will be deleted from the Agreements.

To the extent any provisions of the Franchise Agreement or Development Agreement require you to consent to a waiver of trial by jury, these provisions will be deemed null and void.

ADDENDUM REQUIRED BY THE STATE OF RHODE ISLAND

Even though our Franchise Agreement and Development Agreement say the laws of Tennessee apply, § 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act are met independently without reference to this Addendum to the Disclosure Document.

ADDENDUM REQUIRED BY THE STATE OF SOUTH DAKOTA

Except as may be described in Item 3 of this Disclosure Document, neither we nor any person identified in Item 2 of this Disclosure Document has any material arbitration proceeding pending, or has during the 10 year period immediately preceding the date of this Disclosure Document been a party to concluded material arbitration proceedings.

Although the Franchise Agreement and the Development Agreement each require all litigation or arbitration proceedings to be held in the office of the American Arbitration Association closest to Cleveland, Tennessee, the site of any arbitration started under the Franchise Agreement or the Development Agreement will be at a site mutually agreed upon by you and us.

We may not terminate the Franchise Agreement or the Development Agreement for a breach, for failure to meet performance and quality standards and/or for failure to make royalty or advertising payments unless you receive 30 days prior written notice from us and you are provided with an opportunity to cure the defaults.

Covenants not to compete upon termination or expiration of the Franchise Agreement or the Development Agreement are generally unenforceable in the State of South Dakota.

The laws of the State of South Dakota will govern matters pertaining to franchise registration, employment, covenants not to compete, and other matters of local concern; but as to contractual and all other matters, the Franchise Agreement and the Development Agreement will be subject to the applications, construction, enforcement and interpretation under the governing law of Tennessee.

Any provisions in the Franchise Agreement and the Development Agreement restricting jurisdiction or venue to a forum outside of the State of South Dakota or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the South Dakota Franchise Act.

Any provision that provides that the parties waive their right to claim punitive, exemplary, incidental, indirect, special or consequential damages may not be enforceable under South Dakota law.

ADDENDUM REQUIRED BY THE STATE OF VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Baybros FC LLC for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure: The following statements are added to Item 17.h. for the Franchise Agreement and the Development Agreement:

"Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement or development agreement does not constitute "reasonable cause;" as that term is defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable."

ADDENDUM REQUIRED BY THE STATE OF WASHINGTON

The state of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement and the Development Agreement including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement and the Development Agreement including the areas of termination and renewal of your franchise.

If any of the provisions in this Disclosure Document, the Franchise Agreement or the Development Agreement are inconsistent with the relationship provisions of RCW 19.100.180 or other requirements of the Washington Franchise Investment Protection Act, the provisions of the Washington Franchise Investment Protection Act will prevail over the inconsistent provisions of this Disclosure Document, the Franchise Agreement and the Development Agreement with regard to any franchise sold in Washington.

The Securities Administrator has concluded that arbitration between a franchisor and franchisee must take place either in the State of Washington or as may be mutually agreed on by the parties or as may be determined by the arbitrator.

A release or waiver of rights executed by you will not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where you are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Washington Franchise Investment Protection Act, such as a right to jury trial, may not be enforceable.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act will prevail.

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

ADDENDUM REQUIRED BY THE STATE OF WISCONSIN

IN THE STATE OF WISCONSIN, CHAPTER 135 OF THE WISCONSIN FAIR DEALERSHIP LAW GOVERNS THIS AGREEMENT. YOU MAY WANT TO REVIEW THIS LAW.

For franchises and franchisees subject to the Wisconsin Fair Dealership Law, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of Baybros FC LLC disclosure document.

The Franchisor and Franchisee hereby acknowledge that the Franchise Agreement and Development Agreement shall be governed by The Wisconsin Fair Dealership Law, which makes it unlawful for a franchisor to terminate, cancel or fail to renew a franchise without good cause, as well as providing other protections and rights to the Franchisee. To the extent anything in the Franchise Agreement or Development Agreement is contrary to the laws in the State of Wisconsin, said laws shall prevail.

Item 17

For Wisconsin Franchisees, ch. 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of the Franchise Agreement, the Development Agreement or a related contract between Franchisor and Franchisee inconsistent with the Law.

EXHIBIT E TO THE DISCLOSURE DOCUMENT
LIST OF FRANCHISEES(1)
(as of December 31, 2022)

Randal Brotin, LLC 1650 Nashville Pike, Suite 100 Gallatin, Tennessee 37066 (615) 989-7482	Brotown LLC 100 W. Walnut Avenue Dalton, Georgia 30720 (706) 226-2767
Brix LLC 5591 Hwy. 153 Ste. 160 & 162 Hixson, Tennessee 37343 (423) 498-2040	Bro Ridge LLC 433 S. Illinois Ave. Oak Ridge, Tennessee 37830 (865) 685-0839
Broltewah LLC 5975 Elementary Way Ste. 111 Ooltewah, Tennessee 37363 (423) 702-2040	Bay Water LLC 2396 Lifestyle Way, Ste. 114 Chattanooga, TN 37421 (423) 541-6140
Bay Rome LLC 40 Carter Avenue Rome, Georgia 30165 (706) 237-6227	Brocha LLC 1700 Broad Street Chattanooga, Tennessee 37408 (423) 498-5600
Bro Springs, LLC 1800 Galleria Boulevard Franklin, Tennessee 37067 (615) 807-2835	Hemant & Son, LLC 627 Camp Jordan Parkway, Ste. 103 East Ridge, Tennessee 37412 (423) 825-9299
Randal Dos Bros, Inc. 219 Highway 46 S. Suite E Dickson, Tennessee 37055 (615) 560-5555	
CNJ Food Corp 4405 Kingston Pike Knoxville, Tennessee 37919 (865) 249-8369	

1. Some of the above DosBros® Restaurants are affiliates of ours and currently operate under a License Agreement with BayBros LLC.

EXHIBIT F TO THE DISCLOSURE DOCUMENT
<u>LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM</u>
(as of December 31, 2022)

BKMK, LLC
Hamilton Place Mall
2100 Hamilton Place Boulevard
Chattanooga, Tennessee
Milan Patel
(423) 313-0984

BroSprings LLC
CoolSprings Galleria Mall
1800 Galleria Boulevard
Franklin, Tennessee 37067
Milan Patel
(423) 313-0984

EXHIBIT G TO THE DISCLOSURE DOCUMENT
FINANCIAL STATEMENTS

(See Attached)

BAYBROS FC

FINANCIAL STATEMENTS

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BAYBROS FC

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FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Members of

Baybros FC
Chattanooga, Tennessee

Report on the Financial Statements

We have audited the accompanying financial statements of Baybros FC, which comprise the balance sheet as of December 31, 2020, and the related statement of income and members' equity, and cash flows for the period from January 1, 2020 through December 31, 2020, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Baybros FC as of December 31, 2020, and the results of its operations and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Chattanooga, Tennessee
March 15, 2021

BAYBROS FC

BALANCE SHEET

DECEMBER. 31, 2020

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	$ 2,991
Total current assets	2,991
PROPERTY AND EQUIPMENT, net	0
TOTAL ASSETS	2,991

LIABILITIES AND MEMBERS' EQUITY

CURRENT LIABILITIES	
Accounts payable and accrued liabilities	$ 0
Total current liabilities	0
TOTAL LIABILITIES	0
MEMBERS' EQUITY	2,991
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 2,991

BAYBROS FC

STATEMENT OF INCOME AND MEMBERS' EQUITY

PERIOD FROM JANUARY 1, 2020 THROUGH DEC. 31, 2020

REVENUE	$ 217,918
OPERATING EXPENSES	
Taxes	401
Bank Charges	183
Office Supplies	1,320
Advertising	1,214
Legal and Professional	6,377
Total operating expenses	9,495
Income from operations	208,423
OTHER EXPENSES	
Interest expense	0
Total other expenses	0
NET INCOME	208,423
MEMBERS' DISTRIBUTIONS	(205,432)
MEMBERS' EQUITY - end of period	$ 2,991

The accompanying notes are an integral part of these financial statements.

BAYBROS FC

STATEMENT OF CASH FLOWS

PERIOD FROM JANUARY 1, 2020 THROUGH DEC. 31, 2020

CASH FLOWS		
Net income	$	208,423
Net cash from operating activities		0.00
Net cash from investing activities		(206,600
NET CHANGE IN CASH AND CASH EQUIVALENTS		1,823
CASH AND CASH EQUIVALENTS - beginning of period		1,168
CASH AND CASH EQUIVALENTS - end of period	$	2,991

The accompanying notes are an integral part of these financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Business

Baybros FC (the "Company") is a limited liability company acting as a franchisor company for DosBros entities primarily in the southeastern United States of America. The Company was founded in 2019, and is headquartered in Cleveland, Tennessee.

Basis of Accounting

The Company prepares its financial statements using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Revenue Recognition

The Company's revenue primarily includes fees for services rendered to clients. Revenues are recognized when they are earned and realized or realizable. The Company considers revenues to be earned and realized or realizable when all of the following four conditions are met: (1) persuasive evidence of an arrangement exists, (2) the arrangement fee is fixed or determinable, (3) delivery or performance has occurred, and (4) collectability is reasonably assured. For brokerage commissions, revenue is typically recognized at the completion of the placement process, assuming all four criteria required to recognize revenue have been met. The placement process is typically considered to be complete on the effective date of the related policy. Commission revenues are recorded net of allowances for estimated policy cancellations, which are determined based on an evaluation of historical and current cancellation data.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less to be cash equivalents for the purpose of the statement of cash flows.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents and accounts receivable. The Company maintains cash balances at various financial institutions which are insured by the Federal Deposit Insurance Corporation up to $250,000. The Company's uninsured cash balance total $2,991 as of December 31, 2020. The Company has not experienced any losses in such accounts and, in management's opinion, cash is not exposed to any significant credit risk. Concentrations of credit risk with respect to accounts receivable are limited due to collections typically being received less than a month in arrears. The Company performs ongoing credit evaluations of its customer's financial condition, and generally requires no collateral from its customers.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from the estimates that were used.

Income Taxes

As a limited liability company, the Company is taxed as a partnership and its taxable income or loss is allocated to the members. Therefore, no provision or liability for federal and state income taxes has been included in the financial statements.

Management is required to evaluate certain tax positions taken or expected to be taken in the preparation of its tax returns. Based on its evaluation, management has concluded that there are no significant uncertain tax positions requiring recognition in its financial statements.

NOTE 2 – SUBSEQUENT EVENTS

Management has evaluated events and transactions subsequent to the balance sheet date through the date of the independent auditors' report (the date the financial statements were available to be issued) for potential recognition or disclosure in the financial statements. Management has not identified any items requiring recognition or disclosure.

BAYBROS FC

FINANCIAL STATEMENTS

DECEMBER 31, 2021

BAYBROS FC

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INDEPENDENT AUDITORS' REPORT

To the Members of

Baybros FC
Chattanooga, Tennessee

Report on the Financial Statements

We have audited the accompanying financial statements of Baybros FC, which comprise the balance sheet as of December 31, 2021, and the related statement of income and members' equity, and cash flows for the period from January 1, 2021 through December 31, 2021, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Baybros FC as of December 31, 2021, and the results of its operations and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Chattanooga, Tennessee
May 5, 2023

BAYBROS FC

BALANCE SHEET

DECEMBER. 31, 2021

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	$ 7,810
Total current assets	7,810
PROPERTY AND EQUIPMENT, net	0
TOTAL ASSETS	7,810

LIABILITIES AND MEMBERS' EQUITY

CURRENT LIABILITIES	
Accounts payable and accrued liabilities	$ 231
Total current liabilities	231
TOTAL LIABILITIES	0
MEMBERS' EQUITY	7,579
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 7,810

The accompanying notes are an integral part of these financial statements.

BAYBROS FC

STATEMENT OF INCOME AND MEMBERS' EQUITY

PERIOD FROM JANUARY 1, 2021 THROUGH DEC. 31, 2021

REVENUE	$ 466,701
OPERATING EXPENSES	
Taxes	3,501
Bank Charges	278
Salaries and Wages	37,500
Advertising	734
Legal and Professional	12,100
Total operating expenses	54,113
Income from operations	412,588
OTHER EXPENSES	
Interest expense	0
Total other expenses	0
NET INCOME	412,588
MEMBERS' DISTRIBUTIONS	(387,156)
MEMBERS' EQUITY - end of period	$ 7,579

BAYBROS FC

STATEMENT OF CASH FLOWS

PERIOD FROM JANUARY 1, 2021 THROUGH DEC. 31, 2021

CASH FLOWS		
Net income	$	412,588
Net cash from operating activities		0.00
Net cash from investing activities		(407,769)
NET CHANGE IN CASH AND CASH EQUIVALENTS		4,819
CASH AND CASH EQUIVALENTS - beginning of period		2,991
CASH AND CASH EQUIVALENTS - end of period	$	7,810

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Business

Baybros FC (the "Company") is a limited liability company acting as a franchisor company for DosBros entities primarily in the southeastern United States of America. The Company was founded in 2019, and is headquartered in Cleveland, Tennessee.

Basis of Accounting

The Company prepares its financial statements using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Revenue Recognition

The Company's revenue primarily includes fees for services rendered to clients. Revenues are recognized when they are earned and realized or realizable. The Company considers revenues to be earned and realized or realizable when all of the following four conditions are met: (1) persuasive evidence of an arrangement exists, (2) the arrangement fee is fixed or determinable, (3) delivery or performance has occurred, and (4) collectability is reasonably assured. For brokerage commissions, revenue is typically recognized at the completion of the placement process, assuming all four criteria required to recognize revenue have been met. The placement process is typically considered to be complete on the effective date of the related policy. Commission revenues are recorded net of allowances for estimated policy cancellations, which are determined based on an evaluation of historical and current cancellation data.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less to be cash equivalents for the purpose of the statement of cash flows.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents and accounts receivable. The Company maintains cash balances at various financial institutions which are insured by the Federal Deposit Insurance Corporation up to $250,000. The Company's uninsured cash balance total $7,810 as of December 31, 2021. The Company has not experienced any losses in such accounts and, in management's opinion, cash is not exposed to any significant credit risk. Concentrations of credit risk with respect to accounts receivable are limited due to collections typically being received less than a month in arrears. The Company performs ongoing credit evaluations of its customer's financial condition, and generally requires no collateral from its customers.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from the estimates that were used.

Income Taxes

As a limited liability company, the Company is taxed as a partnership and its taxable income or loss is allocated to the members. Therefore, no provision or liability for federal and state income taxes has been included in the financial statements.

Management is required to evaluate certain tax positions taken or expected to be taken in the preparation of its tax returns. Based on its evaluation, management has concluded that there are no significant uncertain tax positions requiring recognition in its financial statements.

NOTE 2 – SUBSEQUENT EVENTS

Management has evaluated events and transactions subsequent to the balance sheet date through the date of the independent auditors' report (the date the financial statements were available to be issued) for potential recognition or disclosure in the financial statements. Management has not identified any items requiring recognition or disclosure.

BAYBROS FC

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INDEPENDENT AUDITORS' REPORT

To the Members of

Baybros FC
Chattanooga, Tennessee

Report on the Financial Statements

We have audited the accompanying financial statements of Baybros FC, which comprise the balance sheet as of December 31, 2022, and the related statement of income and members' equity, and cash flows for the period from January 1, 2022 through December 31, 2022, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Baybros FC as of December 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Chattanooga, Tennessee
May 5, 2023

BAYBROS FC

BALANCE SHEET

DECEMBER. 31, 2022

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	$ 4,866
Total current assets	4,866
PROPERTY AND EQUIPMENT, net	0
TOTAL ASSETS	4,866

LIABILITIES AND MEMBERS' EQUITY

CURRENT LIABILITIES	
Accounts payable and accrued liabilities	$ 188
Total current liabilities	188
TOTAL LIABILITIES	0
MEMBERS' EQUITY	4,678
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 4,866

The accompanying notes are an integral part of these financial statements.

BAYBROS FC

STATEMENT OF INCOME AND MEMBERS' EQUITY

PERIOD FROM JANUARY 1, 2022 THROUGH DEC. 31, 2022

REVENUE	$ 548,991
OPERATING EXPENSES	
Taxes	8,029
Bank Charges	331
Office Expense	10,098
Travel	1,408
Salaries and Wages	94,410
Advertising	2,806
Legal and Professional	7,815
Total operating expenses	124,897
Income from operations	424,094
OTHER EXPENSES	
Interest expense	0
Total other expenses	0
NET INCOME	424,094
MEMBERS' DISTRIBUTIONS	(419,416)
MEMBERS' EQUITY - end of period	$ 4,678

BAYBROS FC

STATEMENT OF CASH FLOWS

PERIOD FROM JANUARY 1, 2022 THROUGH DEC. 31, 2022

CASH FLOWS		
Net income	$	424,094
Net cash from operating activities		0.00
Net cash from investing activities		(427,038)
NET CHANGE IN CASH AND CASH EQUIVALENTS		(2,944)
CASH AND CASH EQUIVALENTS - beginning of period		7,810
CASH AND CASH EQUIVALENTS - end of period	$	4,866

The accompanying notes are an integral part of these financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Business

Baybros FC (the "Company") is a limited liability company acting as a franchisor company for DosBros entities primarily in the southeastern United States of America. The Company was founded in 2019, and is headquartered in Cleveland, Tennessee.

Basis of Accounting

The Company prepares its financial statements using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Revenue Recognition

The Company's revenue primarily includes fees for services rendered to clients. Revenues are recognized when they are earned and realized or realizable. The Company considers revenues to be earned and realized or realizable when all of the following four conditions are met: (1) persuasive evidence of an arrangement exists, (2) the arrangement fee is fixed or determinable, (3) delivery or performance has occurred, and (4) collectability is reasonably assured. For brokerage commissions, revenue is typically recognized at the completion of the placement process, assuming all four criteria required to recognize revenue have been met. The placement process is typically considered to be complete on the effective date of the related policy. Commission revenues are recorded net of allowances for estimated policy cancellations, which are determined based on an evaluation of historical and current cancellation data.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less to be cash equivalents for the purpose of the statement of cash flows.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents and accounts receivable. The Company maintains cash balances at various financial institutions which are insured by the Federal Deposit Insurance Corporation up to $250,000. The Company's uninsured cash balance total $4,866 as of December 31, 2022. The Company has not experienced any losses in such accounts and, in management's opinion, cash is not exposed to any significant credit risk. Concentrations of credit risk with respect to accounts receivable are limited due to collections typically being received less than a month in arrears. The Company performs ongoing credit evaluations of its customer's financial condition, and generally requires no collateral from its customers.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from the estimates that were used.

Income Taxes

As a limited liability company, the Company is taxed as a partnership and its taxable income or loss is allocated to the members. Therefore, no provision or liability for federal and state income taxes has been included in the financial statements.

Management is required to evaluate certain tax positions taken or expected to be taken in the preparation of its tax returns. Based on its evaluation, management has concluded that there are no significant uncertain tax positions requiring recognition in its financial statements.

NOTE 2 – SUBSEQUENT EVENTS

Management has evaluated events and transactions subsequent to the balance sheet date through the date of the independent auditors' report (the date the financial statements were available to be issued) for potential recognition or disclosure in the financial statements. Management has not identified any items requiring recognition or disclosure.

EXHIBIT H TO THE DISCLOSURE DOCUMENT
TABLE OF CONTENTS OF OPERATIONS MANUAL

EXHIBIT I TO THE DISCLOSURE DOCUMENT
FORM OF GENERAL RELEASE

THIS AGREEMENT ("Agreement") is made and entered into this ____ day of ______________, 20___ by and between BayBros FC LLC, a Tennessee limited liability company having its principal place of business located at 210 James Asbury Drive NW, Cleveland, Tennessee 37312-2984 (the "Franchisor"), and __________________, a ___________ with a principal address at ________________________ (hereinafter referred to as "Releasor"), wherein the parties hereto, in exchange for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, and in reliance upon the representations, warranties, and comments herein are set forth, do agree as follows:

1. **Release by Releasor**:

Releasor does for itself, its successors and assigns, hereby release and forever discharge generally the Franchisor and any affiliate, wholly owned or controlled corporation, subsidiary, successor or assign thereof and any shareholder, officer, director, employee, or agent of any of them, from any and all claims, demands, damages, injuries, agreements and contracts, indebtedness, accounts of every kind or nature, whether presently known or unknown, suspected or unsuspected, disclosed or undisclosed, actual or potential, which Releasor may now have, or may hereafter claim to have or to have acquired against them of whatever source or origin, arising out of or related to any and all transactions of any kind or character at any time prior to and including the date hereof, including generally any and all claims at law or in equity, those arising under the common law or state or federal statutes, rules or regulations such as, by way of example only, franchising, securities and anti-trust statutes, rules or regulations, in any way arising out of or connected with the Agreement, and further promises never from this day forward, directly or indirectly, to institute, prosecute, commence, join in, or generally attempt to assert or maintain any action thereon against the Franchisor, any affiliate, successor, assign, parent corporation, subsidiary, director, officer, shareholder, employee, agent, executor, administrator, estate, trustee or heir, in any court or tribunal of the United States of America, any state thereof, or any other jurisdiction for any matter or claim arising before execution of this Agreement. In the event Releasor breaches any of the promises covenants, or undertakings made herein by any act or omission, Releasor shall pay, by way of indemnification, all costs and expenses of the Franchisor caused by the act or omission, including reasonable attorneys' fees.

2. Releasor hereto represents and warrants that no portion of any claim, right, demand, obligation, debt, guarantee, or cause of action released hereby has been assigned or transferred by Releasor party to any other party, firm or entity in any manner including, but not limited to, assignment or transfer by subrogation or by operation of law. In the event that any claim, demand or suit shall be made or institute against any released party because of any such purported assignment, transfer or subrogation, the assigning or transferring party agrees to indemnify and hold such released party free and harmless from and against any such claim, demand or suit, including reasonable costs and attorneys' fees incurred in connection therewith. It is further agreed that this indemnification and hold harmless agreement shall not require payment to such claimant as a condition precedent to recovery under this paragraph.

3. Each party acknowledges and warrants that his, her or its execution of this Agreement is free and voluntary.

4. Tennessee law shall govern the validity and interpretation of this Agreement, as well as the performance due thereunder. This Agreement is binding upon and inures to the benefit of the respective assigns, successors, heirs and legal representatives of the parties hereto.

5. In the event that any action is filed to interpret any provision of this Agreement, or to enforce any of the terms thereof, the prevailing party shall be entitled to its reasonable attorneys' fees and costs incurred therein, and said action must be filed in the State of Tennessee.

6. This Agreement may be signed in counterparts, each of which shall be binding against the party executing it and considered as the original.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have executed this agreement effective as of the date first above.

Witness:	RELEASOR:
___________________________	___________________________________ (Name)
Witness:	BAYBROS FC LLC, a Tennessee limited liability company:
___________________________	By:_______________________________ Name:_____________________________ Title:______________________________

DOSBROS/ufdd-01a

EXHIBIT J TO THE DISCLOSURE DOCUMENT
FRANCHISEE DISCLOSURE ACKNOWLEDGMENT STATEMENT

As you know, BayBros FC LLC (the "Franchisor") and you are preparing to enter into a franchise agreement (the "Franchise Agreement") for the establishment and operation of a DosBros® Restaurant (the "Franchised Business"). The purpose of this Questionnaire is to determine whether any statements or promises were made to you by employees or authorized representatives of the Franchisor, or by employees or authorized representatives of a broker acting on behalf of the Franchisor ("Broker") that have not been authorized, or that were not disclosed in the Disclosure Document or that may be untrue, inaccurate or misleading. The Franchisor, through the use of this document, desires to ascertain (a) that the undersigned, individually and as a representative of any legal entity established to acquire the franchise rights, fully understands and comprehends that the purchase of a franchise is a business decision, complete with its associated risks, and (b) that you are not relying upon any oral statement, representations, promises or assurances during the negotiations for the purchase of the franchise which have not been authorized by Franchisor.

In the event that you are intending to purchase an existing Franchised Business from an existing Franchisee, you may have received information from the transferring Franchisee, who is not an employee or representative of the Franchisor. The questions below do not apply to any communications that you had with the transferring Franchisee. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. Are you seeking to enter into the Franchise Agreement in connection with a purchase or transfer of an existing Franchised Business from an existing Franchisee?

Yes _____ No _____

2. I had my first face-to-face meeting with a Franchisor representative on _______________, 20_____.

3. Have you received and personally reviewed the Franchise Agreement, each addendum, and/or related agreement provided to you?

Yes _____ No _____

4. Do you understand all of the information contained in the Franchise Agreement, each addendum, and/or related agreement provided to you?

Yes _____ No _____

If no, what parts of the Franchise Agreement, any Addendum, and/or related agreement do you not understand? (Attach additional pages, if necessary.)

____
____
____
____
____
____

5. Have you received and personally reviewed the Franchisor's Disclosure Document that was provided to you?

Yes _____ No ____

6. Did you sign a receipt for the Disclosure Document indicating the date you received it?

Yes _____ No ____

7. Do you understand all of the information contained in the Disclosure Document and any state-specific Addendum to the Disclosure Document?

Yes _____ No _____

If No, what parts of the Disclosure Document and/or Addendum do you not understand? (Attach additional pages, if necessary.)

____
____
____
____
____
____

8. Have you discussed the benefits and risks of establishing and operating a Franchised Business with an attorney, accountant, or other professional advisor?

Yes _____ No _____

If No, do you wish to have more time to do so?

Yes _____ No _____

9. Do you understand that the success or failure of your Franchised Business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, location, lease terms, your management capabilities and other economic, and business factors?

Yes _____ No ____

10. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the actual or potential revenues, profits or operating costs of any particular Franchised Business operated by the Franchisor or its franchisees (or of any group of such businesses), that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

11. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise regarding the amount of money you may earn in operating the franchised business that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

12. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the total amount of revenue the Franchised Business will generate, that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

13. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise regarding the costs you may incur in operating the Franchised Business that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

14. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Franchised Business?

Yes _____ No _____

15. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that the Franchisor will furnish to you that is contrary to, or different from, the information contained in the Disclosure Document or franchise agreement?

Yes _____ No _____

16. Have you entered into any binding agreement with the Franchisor concerning the purchase of this franchise prior to today?

Yes _____ No ____

17. Have you paid any money to the Franchisor concerning the purchase of this franchise prior to today?

Yes _____ No _____

18. Have you spoken to any other franchisee(s) of this system before deciding to purchase this franchise? If so, who? ____
____

If you have answered No to question 9, or Yes to any one of questions 10-17, please provide a full explanation of each answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered Yes to question 9, and No to each of questions 10-17, please leave the following lines blank.

I signed the Franchise Agreement and Addendum (if any) on _______________, 20___, and acknowledge that no Agreement or Addendum is effective until signed and dated by the Franchisor.

Please understand that your responses to these questions are important to us and that we will rely on them. By signing this Questionnaire, you are representing that you have responded truthfully to the above questions. In addition, by signing this Questionnaire, you also acknowledge that:

A. You recognize and understand that business risks, which exist in connection with the purchase of any business, make the success or failure of the franchise subject to many variables, including among other things, your skills and abilities, the hours worked by you, competition, interest rates, the economy, inflation, franchise location, operation costs, lease terms and costs and the marketplace. You hereby acknowledge your awareness of and willingness to undertake these business risks.

B. You agree and state that the decision to enter into this business risk is in no manner predicated upon any oral representation, assurances, warranties, guarantees or promises made by Franchisor or any of its officers, employees or agents (including the Broker or any other broker) as to the likelihood of success of the franchise. Except as contained in the Disclosure Document, you acknowledge that you have not received any information from the Franchisor or any of its officers, employees or agents (including the Broker or any other broker) concerning actual, projected or forecasted franchise sales, profits or earnings. If you believe that you have received any information concerning actual, average, projected or forecasted franchise sales, profits or earnings other than those contained in the Disclosure Document, please describe those in the space provided below or write “None”.

C. You further acknowledge that the President of the United States of America has issued Executive Order 13224 (the “Executive Order”) prohibiting transactions with terrorists and terrorist organizations and that the United States government has adopted, and in the future may adopt, other anti-terrorism measures (the “Anti-Terrorism Measures”). The Franchisor therefore requires certain certifications that the parties with whom it deals are not directly involved in terrorism. For that reason, you hereby certify that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, is:

(i) a person or entity listed in the Annex to the Executive Order;

(ii) a person or entity otherwise determined by the Executive Order to have committed acts of terrorism or to pose a significant risk of committing acts of terrorism;

(iii) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or

(iv) owned or controlled by terrorists or sponsors of terrorism.

You further covenant that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, will during the term of the Franchise Agreement become a person or entity described above or otherwise become a target of any Anti-Terrorism Measure.

Acknowledged this _____ day of ________________, 20____.

Sign here if you are taking the franchise as an

INDIVIDUAL

____
Signature

Print Name_______________________________

____
Signature

Print Name_______________________________

____
Signature

Print Name_______________________________

____
Signature

Print Name_______________________________

Sign here if you are taking the franchise as a CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP

____
Print Name of Legal Entity

By:_____________________________________
Signature

Print Name_______________________________

Title____________________________________

EXHIBIT K TO THE FRANCHISE DISCLOSURE DOCUMENT
STATE EFFECTIVE DATES

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

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Not Registered
Hawaii	Not Registered
Illinois	Not Registered
Indiana	Not Registered
Maryland	Not Registered
Michigan	Not Registered
Minnesota	Not Registered
New York	Not Registered
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Virginia	Not Registered
Washington	Not Registered
Wisconsin	Not Registered

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT L TO THE FRANCHISE DISCLOSURE DOCUMENT
<u>RECEIPT</u>
(RETURN ONE COPY TO US)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If BayBros FC LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan, Oregon and Wisconsin require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If BayBros FC LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the appropriate state agency listed on Exhibit A.

The franchisor is BayBros FC LLC, located at 210 James Asbury Drive NW, Cleveland, Tennessee 37312-2984. Its telephone number is (423) 313-0984.

Issuance date: August 28, 2023.

The franchise seller for this offering is: ____.

BayBros FC LLC authorizes the agents listed in Exhibit A to receive service of process for it.

I have received a disclosure document dated this _____ day of ___________________, 2023 that included the following Exhibits:

A – List of State Administrators/Agents for Service of Process	F – List of Franchisees Who Have Left the System
B – Franchise Agreement	G – Financial Statements
C – Multi-Unit Development Agreement	H – Table of Contents of Operations Manual
D – Multi-State Addendum	I – Form of General Release
E – List of Franchisees	J – Franchisee Disclosure Acknowledgment Statement

Date:______________________ ____
(Do not leave blank) Signature of Prospective Franchisee

____
Print Name

You may return the signed receipt either by signing, dating and mailing it to BayBros FC LLC, at 210 James Asbury Drive NW, Cleveland Tennessee 37312-2984, or by scanning a copy of the signed and dated receipt to BayBros FC LLC at nalimpatel@yahoo.com.

RECEIPT
(RETURN ONE COPY TO US)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If BayBros FC LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan, Oregon and Wisconsin require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

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E – List of Franchisees	J – Franchisee Disclosure Acknowledgment Statement

Date:______________________
(Do not leave blank)

____
Signature of Prospective Franchisee

____
Print Name

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