FRANCHISE DISCLOSURE DOCUMENT

Good News Franchise, LLC
A Missouri limited liability company
3 Pewter Court
O'Fallon, MO 63366
(314) 608-2903
franchise@goodnewsbrewing.com
goodnewsbrewing.com

Good News Franchise, LLC will grant an approved franchisee a franchise license to operate a Good News Brewing and Wood-Fired Pizza restaurant that offers the Good News' brand craft beer, wood-fired pizza and related menu items in a community-focused, family-friendly environment.

The total investment necessary to begin operation of a Good News Brewing and Wood-Fired Pizza franchise is estimated to be between $261,350 and $937,500. This includes $31,000 to $46,750 that must be paid to the franchisor or its affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact **Dan Tripp, 3 Pewter Court, O'Fallon, MO 63366** and **(314) 608-2903**.

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, N.W., Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: February 17, 2025

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much will I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 and Exhibits G and H.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor and at the franchisor's direction; Item 7 lists the initial investment to open, and Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to support my business?	Item 21 and Exhibit I include financial statements. Review these statements carefully.
Is the franchise system stable and growing or shrinking?	Item 20 summarizes the 3-year history of the number of company-owned and franchised outlets.
Will my business be the only Good News Brewing business in my market?	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 Good News Brewing franchisee?	Item 20 and Exhibits G and H 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*

Consider these facts about franchising before investing in any franchise:

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

2. **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 franchised business or may harm your franchised business

3. **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.

4. **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.

5. **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.

6. **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.

7. **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 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 Missouri. 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 [State] than in your own state.

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

THE FOLLOWING PROVISIONS APPLY ONLY TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO THE OFFICE OF THE ATTORNEY GENERAL, CONSUMER PROTECTION DIVISION, ATTN: FRANCHISE SECTION, G. MENNEN WILLIAMS BUILDING, 6TH FLOOR, LANSING, MICHIGAN 48933, (517) 373-7117.

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EXHIBITS

APPLICABLE STATE LAW MAY REQUIRE ADDITIONAL DISCLOSURES REGARDING THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT OR STATE SPECIFIC AMENDMENTS TO THE FRANCHISE AGREEMENT. THESE ADDITIONAL DISCLOSURES OR STATE SPECIFIC AMENDMENTS TO THE FRANCHISE DISCLOSURE DOCUMENT, IF ANY, APPEAR IN THE STATE ADDENDA AT **EXHIBIT C** OR THE STATE SPECIFIC FRANCHISE AGREEMENT AMENDMENTS IN **EXHIBIT E**, EXCEPT THAT ADDITIONAL DISCLOSURES RELATED TO MICHIGAN LAW CAN BE FOUND RIGHT BEFORE THIS TABLE OF CONTENTS.

Item 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The franchisor is Good News Franchise, LLC, and will be referred to in this document as "**Good News Brewing**", "**we**", "**us**" or "**our**". A person who buys a franchise from us will be referred to as **"you."** If you are a corporation, partnership, or other entity, "you" also includes your partners, members, shareholders and any other person or entity directly or indirectly owning an interest in you.

We are a Missouri limited liability company organized on January 8, 2025. Our principal place of business address is 3 Pewter Court, O'Fallon, MO 63366. We conduct business under the names "Good News Brewing Company" and "Good News Brewing and Wood-Fired Pizza." Our agents for the service of process are disclosed in **Exhibit B**.

Parents, Predecessors and Affiliates

We have no parent or predecessor. We have three affiliates who provide products or services to our franchisees. Neither affiliate offers franchises in any line of business.

Our affiliate, Good News Defiance, LLC ("GND") operates the brewhouse that produces the Good News brand craft beer ("Good News Craft Beer") that is served at all Good News Brewing Company locations including franchised locations and those locations owned by us or our affiliates (each a "Good News Location" and when referenced with others, "Good News Locations"). GND's principal business address is 5521 Water Street, Augusta, MO 63332. Good News Locations in Missouri, including franchised locations, will purchase Good News Craft Beer directly from GND. Good News Locations that are outside of Missouri will purchase beer provided by GND from a third-party distributor. GND has operated as a brewhouse since April, 2019.

Our affiliate, Good News Brewing, LLC ("GNB") owns the System by which all Good News Locations operate, the trademarks which are used by Good News Locations to affiliate themselves with the System and other intellectual property related to the System, all of which has been licensed to us, and is sub-licensed to franchisees through their franchise agreements. GNB also provides certain inventory to Good News Locations, including the pizza dough, gluten-free pizza crusts and the proprietary spices used to make pizza sauce. GNB's principal location is 3 Pewter Court, O'Fallon, MO 63366. GNB also operates our affiliate-owned Good News Locations in O'Fallon, Missouri, Defiance, Missouri, Augusta, Missouri, St. Charles, Missouri and Wildwood, Missouri. GNB has operated affiliate-owned locations, produced the products referenced above and has owned the intellectual property referenced above, since July, 2017.

The Franchise We Offer

We grant franchises for breweries that serve our Good News brand of craft beer along with wood-fired pizzas and other items. The franchises operate consistent with our brand's motto of "Gather, Eat, Drink," and serve our proprietary craft beer along with wood-fired pizzas and other complimentary menu items, operated under the Good News Brewing Company and Good News Brewing and Wood-Fired Pizza names using the methods, recipes, standards and procedures we have developed (our "**System**"). The signature styles of our house-brewed beers currently include Belgian White, a variety of IPAs, an American Brown Ale, stouts and various seasonal offerings. The wood-fired pizzas are made using our proprietary frozen dough balls, gluten-free crusts and sauces incorporating our proprietary spice blend. These offerings are served alongside a bespoke selection of complementary items such as pretzels, salads, and non-alcoholic beverages. Franchised Good News Locations may also have the option of selling our selection of branded spirits. Our Good News Locations also sell branded merchandise. Like our affiliate-owned Good News Locations, the franchised locations foster a community focused, family-friendly environment that encourage social gatherings and support location-sponsored and customer-organized community events.

The business you will conduct (we will call it the "**Franchised Brewery**" in this disclosure document) refers to a business using our Good News Brewing service mark and associated logos and symbols we designate from time to time (we call these marks, logos and symbols the **"Licensed Marks"**) under our System. Our System includes our methods of operation, accounting, marketing, advertising and public relations, and the standards for conducting a Franchised Brewery. Our standards and procedures for conducting a Franchised Brewery are set forth in our operations manual (**"Operations Manual"** or **"Manual"**).

The Good News brand was formed by founders Dan Tripp and Matt Fair, who met in a bible study group and bonded over a shared passion for brewing. Through their group they learned the power of living their faith by creating community and creating opportunities for people to come together to enjoy life and fellowship. They initially started a monthly brew night were they invited friends, family and strangers to come together, enjoy a beer, but more importantly, create community. Through these brew nights, they would share good news, stories, laughs and, of course, good beer.

Together they sought to expand the spirit and impact of those brew nights by creating Good News Brewing, allowing them to create new and larger spaces for community. In 2016, through our affiliate, GNB, they opened the first Good News Location, in O'Fallon, Missouri, and over the next six years opened new locations in Defiance, Missouri, Augusta, Missouri and St. Charles, Missouri. They will open their fifth location in Wildwood, Missouri in 2025.

We do not operate businesses of the type being franchised to you. We do not engage in other business activities and have never offered franchises in any other line of business.

General Market and Competition

The craft beer brewery market is well-established and competitive in most areas. The market for wood-fired pizza is developed and continuing to grow. Both are driven, in part, by customers looking for a unique, locally crafted dining experience. As a franchisee, you will compete with other national, regional, and local pizza restaurants, bars, breweries and other restaurants providing similar services, but different products. These may include dine-in pizza restaurants Dewey's Pizza, and fast-casual brands like MOD Pizza, microbreweries like 4 Hands Brewing Co., and Boulevard Brewing and restaurants focusing on craft-beers and other broadly-enjoyed food items such as World of Beer and Yard House. Many, if not all, of the food products that your Franchised Brewery will sell can be prepared at home.

The products and services offered by Good News Locations are used primarily by the general public for personal consumption, and are not limited to any specific submarket though in our experience the plurality of customers are young professionals, families and craft been enthusiasts between the ages of 25 and 54. In addition, Good News Locations have attracted a significant female audience as a result of their welcoming and inclusive ambiance. The business is not seasonal, but depending on the location's climate, sales tend to be stronger during the spring, summer and the seasonally comfortable parts of the fall due to the popularity of Good News Locations' outdoor, dog-friendly patios and increases in social gatherings. Seasonally affected sales can be offset through the organization of public events held at the Location, and the scheduling of private events.

Laws and Regulations

You must have a liquor license, or multiple licenses, from all applicable governmental agencies and jurisdictions before you open your Franchised Brewery. Licensing requirements differ by jurisdiction and may require multiple licenses depending on the products your Franchised Brewery serves, when it is open and the layout of your Location. There is a wide variation in other state and local laws regulating the sale of alcoholic beverages, including those relating to age verification obligations, limitations on service hours, restrictions on promotions, labeling requirements, specific tax obligations, and statutorily-established distribution structures. State dram shop laws also give rise to potential liability for injuries related to the sale and consumption of alcohol.

There are no regulations specific to operating a pizza restaurant. However, you must comply with all local, state and federal health and sanitation laws in operating your Franchised Brewery, such as requirements for food handlers to have certain inoculations and to be Food-Safe certified, and other laws applicable to businesses generally, such as federal and state wage and hour and related laws, including tip-sharing regulation, and applicable provisions of the Americans with Disabilities Act regarding the construction, design and operation of the Franchised Brewery. Building codes and requirements vary in different jurisdictions, and it is important for you and your architect to be aware of and comply with all local laws.

There may be other laws that apply to your business. You should investigate these laws and their impact on your business. Check with a lawyer to learn about specific laws applicable to your business in your location.

Our Prior Experience

We started offering franchises for Good News Locations as of the issuance date of this franchise disclosure document. However, since 2016, our affiliate has been operating Good News Locations offering the same types of services and products as your Franchised Brewery will offer.

None of our affiliates have ever offered franchises in any other lines of business.

Your Owner's Obligations

If you are an entity, you must accurately identify all of your owners in the form attached to the Franchise Agreement. In addition, all Owners must sign the Owner's Acknowledgement and the Franchisee Guaranty included with the Franchise Agreement, agreeing to accept and be bound by their separate rights and obligations in the Franchise Agreement.

Item 2

BUSINESS EXPERIENCE

Founder/Member: Daniel Tripp

Dan is one of our two co-founders and has been an owner of ours since we were formed in January, 2025. In addition, he is a founder and owner of our affiliate, GNB since its organization in January, 2017. These positions are located in O'Fallon, Missouri. Dan is also a teacher with the St. Charles City School District, a position he has held since July, 2017. That position is located in St. Charles, Missouri.

Founder/Member: Matthew Fair

Matt is our other co-founder, and has been an owner of ours since we were formed in January, 2025. In addition, he is a founder and owner of our affiliate of GNB since its organization in January, 2017. These positions are located in O'Fallon, Missouri. Matt was also previously the service manager at Bommarito Honda in Hazelwood, Missouri from March, 1995 to September, 2021.

Item 3

LITIGATION

No litigation is required to be disclosed in this Item.

Item 4

BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

Item 5

INITIAL FEES

At the time you sign the franchise agreement, you must pay us a $30,000 lump sum initial franchise fee. This fee is fully earned upon payment and is not refundable.

Besides the initial franchise fee, you must also make the following payments to our affiliate before your Franchised Brewery opens:

You must purchase your initial inventory of beer and food ingredients before your Franchised Brewery opens for business. Your initial inventory of dough, gluten-free skins and the spice blend you will use to make your pizza sauce must be purchased from our affiliate, GNB. The price of these items varies based on the costs incurred by GNB to prepare these items. We estimate that you will pay between $1,000.00 and $1,250.00 to GNB for your initial inventory of these items.

In addition, if your Franchised Brewery is to be located in Missouri, you must purchase your initial inventory of craft beer from GNB. We estimate that you will pay between $4,800 and $5,500 to GNB for your initial inventory of craft beer. If your Franchised Brewery is located outside of Missouri, the craft beer you sell will be purchased from a third-party distributor.

The Franchise Agreement specifies by when, at the latest, you must start construction on your Franchised Brewery, and also when construction, at the latest, must be completed. If you are not able to meet the deadline for commencing construction, you may request that we grant you an extension of the deadline. The Franchise Agreement limits you to requesting no more than four 30-day extensions for the commencement of construction. You must pay a fee of $2,500 with each request to compensate us for the loss of revenue caused by the delay in your Franchised Brewery opening and generating royalties. It is in our discretion to decide if to grant any extension, but if we do not, we will refund to you the extension fee.

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Item 6

OTHER FEES

Column 1 **Type of Fee**	**Column 2** **Amount**	**Column 3** **Due Date**	**Column 4** **Remarks**[(1)]
Royalty	6% of Gross Sales[(2)]	On or before the 10th day of the month immediately following the Gross Sales are earned.	All payments will be made via Automated Clearing House ("ACH") or such other payment method we designate.
Brand Development Fund Contribution[(3)]	Up to 4% of Gross Sales, currently 0.5% of Gross Sales	Same as the Royalty payment.	The amount of this contribution may be increased upon 30 days written notice from us to you. However, this contribution will not exceed 4% of your Gross Sales.
Technology Fee[(4)]	Currently $100 per month	Same as the Royalty payment.	It can be increased up to 10% annually. This fee is used to pay for software, or other technology, that we develop or otherwise provide, or make available, to you.
Additional Training or Additional Support and Assistance[(5)]	Our then current training fee (currently $250 per day per trainer) plus expenses we incur	By the due state on the invoice we send for this fee.	These amounts will be due if you request additional training beyond initial training for you and your assistant manager, or if we

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks[1]
			require you or your assistant manager to receive additional training.
Fee for Additional Administrative Services	A reasonable amount determined by us based on the services provided	By the due date stated in the invoice sent for this fee.	If you request that we, or our affiliate, provide you with additional administrative services, the Franchise Agreement gives us the authority to charge a reasonable fee for those services.
Affiliate Supplied Inventory[6]	$48 - $60 per case of dough balls; $3 - $4 for each pre-baked gluten-free skin; $20 - $30 per gallon of spice blend; $300 - $500 per barrel of craft beer. These costs may increase if our affiliate's costs for providing these items increase	You will be required to pay for items you purchase from us at the time of your order. Payment for items purchased from third-parties will depending on the vendor's policies.	The inventory we require you to purchase from our affiliate, GNB, may change if GNB's costs to provide the inventory changes.
Re-Inspection Fee	$500 plus expenses we incur conducting each inspection	Within 30 days of us sending you an invoice for this fee.	If you fail to pass the initial pre-opening inspection, we will have the right to charge you a re-inspection fee for each subsequent inspection we conduct until you

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks(1)
			pass the inspection and are approved to open the Franchised Brewery.
Extension Fee—Commencement of Construction	$2,500	At the time the extension request is submitted.	If you request an extension of the deadline by which you must commence construction of your Franchised Brewery, you must pay this fee. If we deny the request for an extension, we will refund you the amount of the fee.
Grand Opening Advertising	$5,000	At least 1 month before the opening of your Franchised Brewery, and 6 months afterward.	You will be required to spend at least this amount on grand opening advertising within the first 6 months your Franchised Brewery is open. If you fail to spend the required minimum amount on grand opening advertising, you must pay the difference between what you paid and the minimum required amount

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks[(1)]
			to us so we can use it to conduct advertising for your Franchised Brewery, or contribute it to the Brand Development Fund.
Replacement Site Application Fee	Currently $2,500	Upon submission of a replacement site application.	Owed if you apply to us to submit a replacement site if a proposed site is not approved as the Approved Location. We may change the amount of this fee by revising the Operations Manual.
Advertising Cooperatives	Up to 50% of the amount you are required to spend on local marketing/Up to the minimum amount you are required to spend on local marketing	As set in the bylaws of the cooperative	If we elect to form a regional or local cooperative in an area that includes your Franchised Brewery, your contribution will be set by the bylaws applicable to the cooperative, but you will not be required to contribute more than half of the amount you are required to spend on local marketing and

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks[(1)]
			your contributions to the cooperative will be credited to the amount you are required to spend on local marketing.
Quality Audit Fee	An amount set by us to cover the costs of quarterly quality assurance audits; currently $300 per quarter	On January 15, April 15, July 15 and October 15, unless any of those days fall on a weekend or bank holiday, in which case this fee will be collected on the next week day that is not a weekend or holiday.	This fee will cover the costs of us having third-party vendors perform quarterly quality assurance audits at your Franchised Brewery.
Transfer Fee	75% of the then-current Initial Franchise Fee for a transfer to a third-party that is not already a Good News Brewing franchisee; 50% of the then current Initial Franchise Fee if the transfer is to an existing Good News Brewing franchisee; or $1,500 for a change in your ownership of less than a controlling stake	Prior to the effective date of the transfer.	
Successor Agreement Fee	Currently $2,500	Due at the time you enter into a successor franchise agreement.	We have the right to change this fee.

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks[(1)]
Indemnification	Will vary under circumstances	As incurred	You must reimburse us if we are held liable for claims from your ownership or operation of your Franchised Brewery.
Relocation Fee	50% of the then-current initial franchise fee	As incurred	If your lease for the Approved Location terminates or expires through no fault of yours, or if the Approved Location or Franchised Brewery is destroyed or damaged and you wish to relocate the Franchised Brewery you must pay this fee to cover the costs we will incur in regard to the relocation.
Costs and Attorneys' Fees	Will vary under circumstances	As incurred	Due when you do not comply with the Franchise Agreement and we have to seek assistance to enforce the Franchise Agreement.
Insurance	Actual cost of insurance, plus an administrative fee equal to 10% of the	Upon demand	Payable if you fail to maintain the required insurance and we

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks[(1)]
	premiums due over the life of the policy		procure it on your behalf.
Interest on late payments[(7)]	Lesser of 1½% per month or maximum legal rate	Upon demand	Payable on all overdue amounts owed to us or our Affiliates.
Testing for Supplier Approval	Costs we incur up to $5,000	Upon demand	Only if you request that a supplier be approved.
Damages	$250 per day	Upon demand	Payable for each day you offer or sell unauthorized products or services.
Temporary Management Personnel and Operational Fees	Salaries (including the cost of fringe benefits, which equal 20% of salaries), meals, lodging, other living expenses and transportation of our personnel plus 5% of Gross Sales	As incurred	Payable if we temporarily assume management of your Franchised Brewery
Audit Costs	Lesser of 1½% per month or maximum legal rate on underreported sales, plus actual cost of the audit	Upon demand	Interest is payable if you are found to have under-reported Gross Sales. You must pay our actual cost of the audit if you are found to have under-reported Gross Sales by 2% or more.
Late Reporting	To the extent permitted by law, $100 plus $100 for each month a report is late	Upon demand	Payable if you fail to send us a report when due
Non-Compliance Fee	1% of your Gross Sales	Same as the Royalty payment.	If you default on your obligations under the

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks[(1)]
			Franchise Agreement in a way that does not fairly represent the quality and standards of the System, we are permitted to charge this fee for each month during which you are not in compliance.
Liquidated Damages	An amount equal to the total amount of initial franchise fees, royalty fees, brand development fund contributions, and technology fees paid by you during the prior 24 months, or during the time the Franchised Brewery has been operating if that time is less than 24 months	Within ten (10) days of the premature termination of the franchise agreement	Owed by you to us if we terminate the franchise agreement before its expiration date due to your default.
Taxes[(8)]	Actual cost	Upon demand	Payable if certain taxes are levied or assessed on the fees you pay to us or our Affiliates

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Notes:

(1) These payments are uniformly charged to franchisees and are not refundable. None of these fees are imposed or collected on behalf of a third party.

(2) **Gross Sales.** "Gross Sales" is defined as revenues attributable to or derived from the operation of the Franchised Business, wherever the revenue is derived, including, but not limited to, from the sale of food and other goods at the Franchised Business, or by delivery, revenue for venue rentals and event catering at the Franchised Business or event catering or other types of sales at locations other than the Approved Location, whether or not conducted in compliance with this Agreement, and however paid including by barter, redemption of gift cards and credit

transactions (before commissions and discounts for credit cards), whether or not collected; proceeds from any business interruption insurance or other loss of income insurance applicable to loss of revenues due to the non-availability of units, and proceeds for guaranteed no-show revenue which is collected; but excluding sales taxes, or any other taxes collected by Franchisee from customers for transmittal to appropriate taxing authorities; tips collected by Franchisee for distribution to its employees; bona fide refunds to customers; and income from the sale of gift cards and revenue derived from the redemption of rewards points by customers pursuant to any rewards or loyalty program established by, or approved by, Franchisor. Gross Sales shall be accounted for in accordance with the accounting procedures set forth in the Manual from time to time.

If applicable law (state or local) prohibits or restricts your ability to pay (or your ability to collect) Royalty Fees or other amounts based on Gross Sales derived from the sale of alcoholic beverages made by the Franchised Business, or if such law would require us to be licensed to sell alcoholic beverages in that jurisdiction, or otherwise, then the parties will exclude revenue alcoholic beverage sales from Gross Sales and mutually agree on a substitute so as to provide the same basic economic effect of a Royalty Fee that includes revenue from alcoholic beverage sales.

(3) **Brand Development Fund.** The Brand Development Fund will pay for advertising, marketing, public relations and promotional activities we deem beneficial to the System. For more information see Item 11.

(4) **Technology Fee.** The Technology Fee will be used to cover the costs we incur to develop and/or maintain the technological aspects of the System, which may include, but not be limited to, website and mobile app development, including online ordering functions, and API integration.

(5) **Additional Training.** We will provide the initial training described in Item 11 at no charge for up to two individuals, typically you (or your Principal Owner) and your assistant manager. We reserve the right to charge you a reasonable amount for initial training for any additional owner(s)/ managerial-level employees who you ask to send to initial training. The current fee is $350 per person per day. We reserve the right to charge you a reasonable amount for any training we provide to you, or your managers in addition to the initial training described in Item 11. You will also be responsible for any salaries, and travel, meal, incidental, and lodging expenses incurred by or associated with persons attending the training program. We will make available continuing advisory assistance in a manner we deem appropriate, and we can charge a reasonable fee for it. If you request that we send a representative to your location to assist, train or advise you, we will charge you a reasonable fee and will seek reimbursement of our travel expenses. While there is no maximum amount that we can charge for the additional training and advisory assistance, these fees are primarily intended to reimburse us our expenses. Currently, we charge $200 per day for the additional training/advisory assistance we provide, plus reimbursement for travel and lodging expenses for our trainers/advisors.

(6) **Affiliate Supplied Inventory.** The costs in this line of Item 6 reflect cost range of costs for inventory you are currently required to purchase from GNB. We have the right to require you to purchase other inventory items from GNB, us or other affiliates of ours. You will only be

required to purchase beer from GNB if your Franchised Brewery is located in Missouri. If it is located outside of Missouri you will not be required to purchase the craft beer from GNB.

(7) **Interest.** You must pay us interest on any amounts past due to us or our Affiliates, such as Royalty Fees and Brand Development Fund Contributions. The rate of interest will be the lesser of 1½% per month or the maximum legal rate in the jurisdiction where your Franchised Brewery is located.

(8) **Taxes.** You agree to indemnify and/or reimburse us and our Affiliates for all capital, gross receipts, sales, and other taxes and assessments imposed by any applicable state or local governmental authority as a result of the conduct of the Franchised Brewery or the license of any of our or our Affiliates' intangible property to you (whether required to be paid by us or our Affiliates, withheld by you or otherwise). Your obligation to indemnify or reimburse us or our Affiliates for taxes does not extend to income-type taxes which a state or local government imposes on our, or our Affiliates', income.

Item 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Low	High	When Due	Method of Payment	To Whom Paid
Initial Franchise Fee[(1)]	$30,000	$30,000	On signing Franchise Agreement	Lump Sum	Us
Lease and Security Deposits[(2)]	$37,500	$210,000	On signing your lease	Lump Sum	Landlord
Leasehold Improvements[(3)]	$100,000	$500,000	As Incurred	Lump Sum	Third parties you select
Signage[(4)]	$3,000	$10,000	As Incurred	As Agreed	Third party we may designate
Furniture and Fixtures[(5)]	$15,000	$20,000	As Incurred	As Agreed	Third parties whom we may designate

Type of Expenditure	Low	High	When Due	Method of Payme nt	To Whom Paid
Equipment[6]	$38,000	$79,000	As Incurred	Lump Sum	Third parties whom we may designate
Start-Up Supplies	$1,000	$3,000	As Incurred	As Agreed	Third parties you select
Hardware and Software[7]	$3,000	$5,000	As Incurred	As Agreed	Third parties whom we may designate
Business Licenses and Permits	$3,000	$15,000	As Incurred	Lump Sum	Local governments and/or third parties
Utility Deposits	$1,000	$2,000	As Incurred	Lump Sum	Utility providers
Professional Fees	$4,000	$8,000	As Incurred	As Agreed	Third parties you select as your legal or accounting professional s and/or business advisors
Opening Inventory[8]	$5,000	$12,000	As Incurred	Lump Sum to us, as incurred to other vendors	GNB for dough, spices and GF crusts (and beer if located in Missouri); third parties we may designate for remaining items

Type of Expenditure	Low	High	When Due	Method of Payment	To Whom Paid
Insurance[9]	$2,600	$6,000	As Incurred	Lump Sum or as charged by insurer or broker	Third parties you select
Training Expenses [10]	$250	$2,500	As Incurred	As incurred	Travel related vendors
Grand Opening Advertising [11]	$3,000	$5,000	As Incurred	As incurred	Outside suppliers, and/or us
Additional Funds [12]	$15,000	$30,000	As Incurred	As incurred	Third parties
TOTAL ESTIMATED INITIAL INVESTMENT	**$261,350**	**$937,500**			

Notes:

This is our best estimate of the costs you will incur to develop and open a Franchised Brewery based on our experience. The factors that underlie this estimate can vary considerably depending on a number of variables, and the investment you may make may be lesser or greater than the estimates given.

(1) **Initial Franchise Fee.** Franchisees pay a $30,000 initial franchise fee to us when they sign the franchise agreement. See Item 5 for more information on this reduced initial franchise fee. The initial franchise fee is not refundable.

(2) **Lease and Security Deposits.** Your Franchised Brewery will typically be a standing building with a patio, but may be in another type of building. If you do not own or purchase real estate for your Franchised Brewery, you will need to lease space from a landlord. In most cases, the landlord will require a security and/or rental deposit. Usually, the landlord will require you to pay the equivalent of at least 1 month's rent as the deposit. Rental rates or deposits on an unknown location cannot be predicted in advance and may vary

significantly from market to market depending on the city and specific location in the market. However, the rental rates will mostly depend on the size and location of your restaurant. These costs will vary greatly depending on the metropolitan area where your Franchised Brewery will be located. The lower estimate is based on the assumptions that the location is 2,500 square feet, that your rent is $15/month/square foot, and your landlord will require you to pay just the first month's rent when you sign your lease and not require you to pay rent until your Franchised Brewery has opened for business. The higher estimate is based on the assumptions that the location is 3,500 square feet, that your rent is $30/month/square feet and your landlord will require you to pay the first month's rent, plus a security deposit equal to a month's rent, when you sign your lease, and nothing else until your Franchised Brewery opens for business. These estimates are based on our knowledge of the real estate market in St. Charles County, near St. Louis, Missouri. If you purchase unimproved property and construct the building in which the Franchised Brewery will be located, your costs could be between $500,000 - $1,000,000 or more.

(3) **Leasehold Improvements.** This is an estimate of the costs to remodel a site to conform to our System standards and includes such items as wiring, plumbing, flooring, bar countertops, décor, lighting, etc. This estimate does not include any tenant improvement allowance negotiated as part of your lease. The cost of construction and improvements varies widely based on the size of the space, the existing improvements and local construction rates. Until a specific site is located and evaluated, an estimate of costs cannot be precisely projected. Sometimes you may receive a construction allowance from the landlord or you may lease a location which was already built out as a restaurant and if so, the costs may be lower.

(4) **Signage.** This estimate includes interior and exterior signage. The cost of signage can vary significantly depending on, for example, the number and size of your signs or if you opt to feature an illuminated sign, though we do not require you to have an illuminated sign. Both the size and number of signs will depend on various factors, such as what your lease says about permitted signage and local ordinances and regulations.

(5) **Furniture and Fixtures.** These costs include all of the furniture and fixtures for your Franchised Brewery consistent with our System's standards. All items are estimated to be purchased new. The cost estimate is based on the furniture and fixtures being turn-key, and includes installation. These estimates are based on your Franchised Brewery having seating for 150-200 people.

(6) **Equipment.** Equipment includes a pizza oven, draft beer system, refrigerators and freezers, prep tables and sinks and items such as smallwares.

(7) **Hardware and Software.** Includes the estimated costs for a point-of-sale ("POS") system that includes four payment terminals, back-office hardware and peripherals. This estimate includes costs associated with purchasing the required POS system.

(8) **Initial Inventory.** The initial inventory you will need to purchase in order to open the Franchised Brewery includes Good News brand craft beer, ingredients, cleaning supplies,

paper and packaging and other consumables. You will purchase six cases of sourdough pizza dough balls, one case of gluten free pizza skins, and one gallon of pizza sauce spice blend from GNB. If your Franchised Brewery is located in Missouri, you will also buy at least six barrels of beer from GNB.

(9) **Insurance.** Our current minimum insurance requirements are set out in Item 11. All insurance shall be procured at the earliest possible time that you have an insurable interest with respect thereto, but in no event later than the opening of your Franchised Brewery for business.

(10) **Training Expenses.** These estimates assume you only send two individuals to training. There is no training fee if you send two individuals, but you will be responsible for all costs your attendees incur to attend training, including travel expenses, meals, lodging costs, and salaries.

(11) **Grand Opening Advertising.** During the period starting 3 months prior to your Franchised Brewery opening and ending 6 months after your Franchised Brewery has opened, you will be required to spend at least between $3,000 and $5,000 on grand opening advertising, depending upon the population in your Protected Area. We may require you to submit a grand opening marketing plan for us to review, and we may approve the minimum amount you will spend on grand opening advertising and/or we may choose to conduct the grand opening advertising for you, on your behalf, at a cost that falls within this range. If we choose to conduct the grand opening advertising on your behalf, we can require you to pay these funds to us to cover the costs of the advertising.

(12) **Additional Funds.** We estimate (without making any warranty) that the initial period will be 3 months before your Franchised Brewery generates a positive cash flow. You will need to have on hand sufficient additional capital to cover salaries for approximately 2 full-time employees, and 6-10 part-time employees. This does not include a salary for you. You will need funds to pay for your own living expenses during the initial period, and an amount to cover debt service, operating costs and taxes. The estimate given is the amount of additional funds, in excess of revenues, we estimate you will need to cover these expenses during this initial phase. This estimate is based on anticipated salaries and debt service and our eight years of experience operating Good News Brewing Locations similar to your Franchised Brewery.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Designated Suppliers and Specifications:

You must operate your Franchised Brewery according to our System. You are required to purchase and lease all products, services, supplies, fixtures, equipment and materials, inventory, computer software and hardware (as described in Item 11), real estate and comparable items required for the establishment and the operation of the Franchised Brewery for which we have issued specifications: from us; from our affiliates; from manufacturers, suppliers and distributors designated by us; from suppliers we approve who meet our specifications; or from suppliers of your choice, pursuant to our specifications, if we have not designated ourselves or other parties as designated suppliers. Designation of a supplier may be conditioned on requirements relating to, among other things, quality and consistency of product, production capacity, frequency of delivery, standards of services, including prompt attention to complaints, their reputation, as well as payments, contributions or other consideration given to us, our affiliates, and/or any brand development fund we maintain, whether now or in the future, and/or otherwise, and our designation of a supplier may be temporary, and in each case are made in our reasonable discretion. We have imposed these requirements in order to ensure quality and uniformity of Good News Locations and the products and services provided to customers by those locations. We may, from time-to-time withhold, condition and/or revoke our approval of particular items or suppliers in our reasonable discretion.

At this time, we are not a designated supplier of any product or service you will purchase or lease for the operation of the Franchised Brewery (other than most training services). In the future, we may be a designated supplier.

At this time, you are required to purchase pizza dough balls, gluten-free pizza skins and our proprietary sauce spice blend from our affiliate, GNB. In addition, if your Franchised Brewery is located in Missouri, you must purchase your Good News craft beer from GNB.

If your Franchised Brewery is located outside of Missouri, you must purchase your Good News craft beer from a distributor we designate. In addition, you must purchase your point-of-sale system from a vendor we designate.

You are allowed to order merchandise featuring our trademarks (“Branded Merchandise”) from any vendor you choose, however all such Branded Merchandise must strictly comply with our specifications.

In the future, other designated suppliers may be affiliated with us, or our current or future affiliates may be designated as suppliers of, including exclusive suppliers of, other products and services used in the operation of your Franchised Brewery. We, or an affiliate of ours, may be designated as the only supplier for certain products or services.

We or our affiliates may receive rebates, commissions and other benefits from suppliers in relation to items purchased by you and other franchisees. We have the right to condition or revoke your right to participate in any supplier programs if you are in default of your Franchise Agreement.

Currently, we do not receive rebates for any products or services you are required to purchase or lease from a designated supplier. However, we recommend, but do not require, you to purchase a rotating pizza oven from New York Brick Oven. This recommendation is based on our eight years of operating Good News Locations and developing the recipes you will use to create the food you will serve at your Franchised Brewery. If you opt to purchase an oven from New York Brick Oven, we will receive a rebate of $1,500 per oven. This rebate does not affect the price you will pay for the oven and the price you pay for the oven will be the same as the price New York Brick Oven charges our affiliate for the same oven.

Designated suppliers, including those referenced in this Item 8, will be identified in the Operations Manual or otherwise communicated to you by us in writing.

We also have specifications for Branded Merchandise, furniture, fixtures, and equipment you need to buy before opening your Franchised Brewery, as well as supplies that must be used in the operation of the Franchised Brewery, but currently you can buy those types of items and products from any vendor as long as they meet our specifications.

We reserve the right to modify and/or substitute approved products or suppliers. If we do so, we will inform you of any changes by making updates or supplements to the Operations Manual, or otherwise communicate these changes to you in writing. Currently, there are no designated suppliers in which any of our officers own an interest, except for GNB. Our officers reserve the right to have an interest in other designated suppliers in the future.

You must also purchase the insurance coverage we require. During the term of the Franchise Agreement, you must comply with all insurance requirements of any lease, mortgage, or deed of trust related to the Franchised Brewery's location as well as all of our minimum insurance requirements. Our current insurance requirements are listed in Article 12 of the Franchise Agreement. If those requirements change, the revised requirements will be listed in the Operations Manual or otherwise communicated to you from time to time. All insurance shall be procured at the earliest possible time that you have an insurable interest with respect thereto, but in no event later than the Opening, and shall be written by insurance companies with an A.M. Best rating of A-VI or greater.

During any construction work at your location, you shall maintain or cause your general contractor or design-builder to maintain Builder's Risk insurance or equivalent property insurance to cover that portion of the work to be constructed, installed, altered, or repaired. Such coverage shall include our interests, your interests, the interests of any mortgagee, the interests of any general contractor or design-builder, the interests of any subcontractors, and the interests of any other party having an interest in the work.

We estimate that 10% to 15% of your initial purchases and 25% to 35% of your ongoing purchases of products and services will be either from us, our affiliates, our designees, or suppliers approved by us, or of products and services meeting our specifications.

Alternative Suppliers and Alternative Products or Services:

You must obtain our approval to purchase any alternative products or services by submitting a written request to us with all applicable information, specifications, or samples we may require. The same applies if you wish to purchase a product or service from an alternative supplier than the supplier we have approved for a product or service. In each case we may charge a fee for the review. Currently, the fee is $500 plus any costs we incur in excess of $500, up to a maximum of $5,000, for the testing and research needed to evaluate the product or services. The fee is intended to cover our expenses incurred in the review of the alternative product or service, or the alternative supplier. The fee is payable to us at the time you submit the request for approval for the product or service (with any balance due being invoiced to you). Within a reasonable time (our goal is 3 months or less), we will notify you whether the alternative product or service, or supplier, is approved. We will issue particular specifications and standards to franchisees for approving alternative suppliers, products or services though the Operations Manual. If we revoke the approval of an alternative supplier, product, or service, you will be notified of the revocation in a manner we deem appropriate. Applications for approval are reviewed on a case-by-case basis. The decision to approve an alternative supplier will be made in our sole discretion. We do not have to approve an unreasonable number of suppliers for any product or service.

Relationship Between Us and Approved Vendors:

In the future, we may negotiate the terms that apply to franchisees' purchases of certain products or services from vendors. We will attempt to negotiate terms that we consider beneficial for all Good News Locations, franchised as well as company-owned. We do not currently provide any material benefits to a franchisee based on a franchisee's purchase of any particular product or service or use of any particular supplier. We may receive rebates or other material consideration from vendors related to purchases made by our franchisees including required purchases. We may choose to pass such rebates on to the Brand Development Fund, or directly to you, but are not required to do so.

Since we only started franchising in 2025, we did not have any revenue in 2024, we did not receive any rebates from approved vendors based on franchisee purchases made in 2024 and neither we, nor our affiliates, received any revenue from required purchases or leases of products or services by franchisees.

None of our officers or directors own an interest in any of our designated suppliers except for GNB.

Currently there are no purchasing or distribution cooperatives for the Good News Brewing franchise system.

Item 9

FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

Obligation	Section in agreement[(1)]	Disclosure document item
a. Site selection and acquisition/lease	FA §§2.2, 2.3, 2.6, 2.7, 5.1	Items 5, 6, 7 & 11

Obligation	Section in agreement[1]	Disclosure document item
b. Pre-opening purchases/leases	FA §§5.2, 5.3, 5.8	Items 7 & 8
c. Site development and other pre-opening requirements	FA Article 5, and §§7.1, 7.2	Items 6, 7 & 11
d. Initial and ongoing training	FA §§5.8, 7.2, 7.4, 7.5, 7.7	Items 6, 7, 11 & 15
e. Opening	FA §5.8	Items 7 & 11
f. Fees	FA §§2.6, 2.7, 3.2, 4.1, 4.2, 5.3, 5.7, 5.8, 7.2, 7.3, 7.4, 7.8, 7.9, 7.17, 7.18, 7.21, 7.23, 7.26, 7.27, 8.1.D, 8.3, 9.2, 9.4, 9.7, 10.4, 12.4, 12.5, 13.7, 13.8, 13.10, 14.4, 14.5, 15.1, 15.2, 19.7 §§2 & 4 of Covenant Agreement.	Items 5, 6, 7 & 11
g. Compliance with standards and policies/operating manual	FA §1.1, 1.2.V, 2.1, 2.3, 2.6, 3.2, 4.1.C., 5.2, 5.3, 5.4, 5.6, 5.7, 5.8, 7.2, 7.5, 7.6, 7.7, 7.8. 7.9, 7.10, 7.11, 7.12, 7.13, 7.16, 7.19, 7.21, 7.23, 7.24, 7.25, 7.28, 8.1, 8.2, 8.3, 8.4, 8.6, 8.8, 9.1, 9.2, 9.3, 9.6, 10.1, 10.2, 10.3, 11.2, 11.5, 11.6, 11.10, 12.1,, 12.2, 12.4, 13.8, 14.1.B, 14.1.D, 14.4, 16.1, 20.8	Items 8, 11, 14 & 16
h. Trademarks and proprietary information	FA §§7.28, 8.1, Article 11, 15.1	Items 13 & 14
i. Restrictions on products/services offered	FA §§2.3, 7.8, 8.1, 8.2	Items 8 &16

Obligation	Section in agreement[(1)]	Disclosure document item
j. Warranty and customer service requirements	None	None
k. Territorial development and sales quotas	None	Item 12
l. Ongoing product/service purchases	FA §8.1	Item 8
m. Maintenance, appearance, and remodeling requirements	FA §§7.12, 7.13	Items 8 & 11
n. Insurance	FA §§12.1, 12.2, 12.3, 12.4	Items 6, 7 & 11
o. Advertising	FA §§4.1.C, 5.7, 7.23, 7.24, 8.1, 8.6, Article 9.	Items 6, 7, 8 & 11
p. Indemnification	FA §§12.5, 13.8	Items 6, 17
q. Owner participation/ management/staffing	FA §§7.2, 7.3, 7.4, 7.7, 16.1	Items 11 & 15
r. Records and reports	FA §§7.7, 7.8, 7.19, 8.4, 8.7, 10.1, 10.2, 10.3 10.4, 14.1.B, 14.1.D, 15.3	Items 6 & 11
s. Inspections and audits	FA §§5.2, 5.5. 5.8, 6.1, 7.19, 8.3, 8.4, 10.4, 15.3	Items 6 & 11
t. Transfer	FA Article 13	Items 6, 15 & 17
u. Renewal	FA §§3.2	Item 6
v. Post-termination obligations	FA §§10.1, 11.10, 11.12.B, 12.5, Article 15, §2 of Covenant Agreement	6 Items, 11, 14 & 17
w. Non-competition covenants	FA §11.12 and Covenant Agreement	Item 17
x. Dispute Resolution	FA Article 19	Item 17

Obligation	Section in agreement[(1)]	Disclosure document item
y. Owner's Guaranty/Owner's Acknowledgement	FA §7.20	Item 1

Notes:

(1) "FA" indicates references to the Franchise Agreement.

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, we are not required to provide you with any assistance.

Pre-Opening Site Selection Obligations

Before you open your Franchised Brewery, we will:

1. Designate your Site Selection Area, or if we have approved of your Approved Location at the time we sign the Franchise Agreement, we will designated your Protected Area. (Franchise Agreement – Section §2.2 and §2.3 and Exhibit C);

2. Provide you with our Operations Manual, which contains our criteria for your Franchised Brewery's location and its layout, and either our written specifications for products and services, and/or a list of approved or designated suppliers for certain products and services. Your Franchised Brewery's location and its layout are subject to our approval. (Franchise Agreement §6.1.D);

3. Review and approve of your Approved Location. Unless we have approved of your Approved Location at the time we sign the Franchise Agreement, you have to submit a proposed site to us for approval within 60 days of the effective date of your Franchise Agreement. The

factors that we will consider in approving your site include the demographic profile of the area around the proposed site, street traffic, competition in the area, parking, visibility from major thoroughfares as well as other factors. (Franchise Agreement, §6.1.A). We will provide you with guidelines on what to look for in a site. You must complete your conversion or buildout of the Approved Location and be opened for business within 12 months of the effective date of your Franchise Agreement. (Franchise Agreement, §§5.1 and 5.4). Our approval of your site is not a guarantee that your Franchised Brewery is going to be successful or achieve any particular result. It is only an acknowledgement that your site meets our site-approval criteria. The success of a Franchised Brewery depends on many factors, the location only being one factor. If we do not approve a site you propose, you must propose a new site. There is no limit on the number of sites that you can propose however the deadline referenced above will remain applicable despite our rejection a proposed site, or sites. Once we have approved your site you have 30 days to submit a copy of the proposed lease for our approval. You must give us a copy of the signed lease within 10 days after you have signed it. (Franchise Agreement, §5.2.A).

4. Review your construction drawings and plans to assess compliance with our design and layout specifications and standards for Good News Locations, including, for example, consistency of our trade dress and presentation of trademarks. It is your responsibility to make sure that your Approved Location also conforms to local ordinances and building codes and that you obtain any required permits. (Franchise Agreement – §§5.2 and 5.6). It is also your responsibility to construct, remodel, and decorate the premises.

Other Pre-Opening Obligations

Before you open your business, we will:

1. Provide you with information about the necessary computer hardware and software, furniture, fixtures and equipment, required signage, opening inventory and supplies needed to open and begin operating your Franchised Brewery, but it is your responsibility to procure all such items. In some cases, we will provide you the names of approved vendors that you can (or must) purchase these items from, and in other instances we will only provide you brand names or required specifications for items. You will have to make all the purchases yourself, and if installation is required, arrange for the installation yourself. We are not required to provide you with equipment, signs, fixtures and opening inventory and we do not deliver or install any such items. (Franchise Agreement, §8.1).

2. Provide a pre-opening training program for your owners and manager. (Franchise Agreement, §§6.1.E and 7.2). A description of our training program appears later in this Item 11 under the caption "Training Program." Apart from the pre-opening training program, we are not required to help train your employees and will not assist you in hiring employees.

3. Provide assistance with your initial marketing. We will also approve or disapprove all advertising, signage, written communications, electronic or web-based materials and promotional plans, and other materials displaying our Licensed Marks that we

have not prepared or previously approved. (Franchise Agreement, §§5.7, 7.23, 9.1, and 11.10).

5. Upon reasonable request, we will consult with and advise you at your location, our home office or virtually (e.g., by telephone, email, or virtual meeting) in our discretion concerning the opening and operation of the Franchised Brewery. (Franchise Agreement, §6.1C).

6. Confirm your insurance certificates meet our insurance requirements specified in the Franchise Agreement and Operations Manual (Franchise Agreement, §12.3).

Opening of Your Business

We expect that franchisees will typically open their Franchised Brewery 3 to 12 months after they sign a franchise agreement. The factors that affect the period of time it takes for you to open usually include locating a suitable site, completing the leasehold improvements, satisfactorily completing the training, obtaining all necessary equipment and supplies, and obtaining all necessary licenses or permits. If your Approved Location requires minimal build-out, has ADA compliant bathrooms, has access to sufficient utility services, then the time it will take for you to open your Franchised Brewery may be 3-6 months. If your Approved Location needs significant renovations or new construction, requires you to obtain certain conditional use permits, or licenses related to the service of alcohol, it may take 6-12 months for you to open. In addition, local regulations, and processes for applying for and obtaining necessary permits, weather, your ability to secure financing, retain contractors, and closely manage the pre-opening process may also impact the length of time it takes for you to open your Franchised Brewery.

Obligations During Operation of the Franchise

During the operation of the Franchised Brewery, we will:

1. Provide ongoing training as required. A Training Fee of $250 per day per trainer plus expenses will be assessed if training is requested by you or required by us to assist you in complying with our operating specifications. (Franchise Agreement, §7.4).
2. Periodically visit and inspect your Location to evaluate the performance of the Franchised Brewery. (Franchise Agreement, §6.1.G).
3. Otherwise, be available by telephone or video conference to assist you in your day-to-day operations. (Franchise Agreement, §6.1.C).
4. Develop and improve the System and modify and add to the Operations Manual as we deem appropriate to reflect changes in the business, required or recommended promotions, authorized menu items and other products or services, or specifications for authorized products and services, equipment requirements, quality standards, and operating procedures. (Franchise Agreement §§1.2OO, 6.1.D).
5. Manage the Brand Development Fund. (Franchise Agreement §9.4). More information about the Brand Development Fund appears later in this Item 11 under the caption “Brand Development Fund.”

6. Provide guidance and support regarding inventory management, information collection, organization and reporting. (Franchise Agreement §6.1.C).
7. Approve or disapprove all advertising, signage, written communications, and promotional plans and other materials displaying our Licensed Marks which we have not prepared or previously approved, and provide guidance on running themed events and other recommended or required promotions and strategies for increasing sales, increasing customer engagement and improving operational efficiency. (Franchise Agreement §9.1).
8. Review and either approve, or disapprove, of requests for limited location-specific menu items as requested by you and other franchisees. (Franchise Agreement §7.8).
9. We may, at our sole discretion, from time to time make suggestions regarding your menu pricing. If applicable law permits, we may require you to use minimum or maximum pricing for certain, or all, products and services. Otherwise, you may decide whether or not to follow our pricing suggestions. (Franchise Agreement §8.8). (Also see Item 16).

Advertising Program

We will develop a marketing program that is intended to maximize the recognition, and goodwill, of the Good News Brewing brand name. All, or part, of our marketing program may be developed and conducted through the Brand Development Fund described below. The marketing program may include activities such as membership and loyalty programs, gift card programs, development of customer incentives such as complimentary gifts, cashback incentives, discounts, campaigns, creative productions, partnerships, and marketing and advertising through various channels, including online and social media. We may prepare marketing and advertising materials in-house or through outside agencies, either national and/or regional. Since, to date, all of our Good News Locations are in St. Charles County, Missouri, our marketing coverage has largely been limited to that area. We are not required to spend any amount on advertising in the area that your Franchised Brewery will be located in.

Your Local Advertising, Websites and Social Media

You are required to spend at least 1% of you Gross Sales, each month, on local marketing, throughout the term of your Franchise Agreement. (Franchise Agreement §9.3). Even if we require you to spend a minimum amount on local marketing, you may determine that you need to spend more than that. That minimum amount may be established, and thereafter changed, by us upon written notice to you. We may from time to time specify what types of expenses count towards your required local marketing obligations, if and when we establish them. If we require you to participate in a local or regional advertising cooperative (described below) the amount you pay to the advertising cooperative will be offset against any amount you are required to spend on local advertising. (Franchise Agreement §9.3).

To facilitate your local marketing and advertising, we may prepare pre-approved materials, including copy and graphic design. All other advertising, marketing, and publicity materials you use must first be approved by us. You must submit to us any materials not already approved by us for our review and approval. This includes all materials referencing your Franchised Brewery and/or using our Licensed Marks, no matter the medium (e.g. print, digital, social media, and mobile apps). You may only use digital media, social media or the internet to advertise your Franchised Brewery with our prior approval and only consistent with the standards, and limits, we set out in the Operations Manual or otherwise provide to you in writing. (Franchise Agreement, §7.23). At all times, you must comply with our instructions regarding the use of advertising materials, including modifying or ceasing to use those materials, whether or not we previously prepared or approved the materials. We will seek to approve, or disapprove, advertising materials you submit to us within 10 business days of when you submit the materials to us, but the Franchise Agreement does not establish a time limit for us to do so. (Franchise Agreement, §9.1).

You will submit your grand opening advertising plan to us for review, revision and approval and we may provide you with recommended, or required, materials to use in your grand opening advertising. Approximately one to three months before your expected opening date and for six months after your opening you must conduct your grand opening advertising to support your initial launch. We require that you spend a minimum amount of at least $5,000 on your grand opening advertising. If you do not spend the minimum required amount, we can require you pay the amount of the shortfall to us so we can conduct advertising in your Protected Area, or pay the amount of the shortfall to the Brand Development Fund. (Franchise Agreement §9.2).

We do not have any advertising cooperatives or a franchisee advisory council that advises us on advertising policies, but we reserve the right to establish advertising cooperatives or a franchisee advisory council in the future. In such case, we may require you to contribute some of your local marketing funds to a cooperative. If you do, this amount will be credited to your minimum local marketing obligations. (Franchise Agreement §9.7).

You may not intentionally direct advertising for your Franchised Brewery to areas outside of your Protected Area. However, you are permitted to use a form of advertising that happens to incidentally include areas, households or businesses that are outside, but in the immediate vicinity, of the Protected Area. You are not permitted to run promotions that we have not approved of, or that conflict with our national or regional advertising campaigns. You are not allowed to make any political endorsements, or associate the Franchised Brewery, or the Licensed Marks, with any political positions or statements. (Franchise Agreement, §9.1).

While we do not do so at this time, during the term we may require that you pay part of the local advertising spend to us for our use in engaging approved suppliers of advertising and marketing services that you are required to use. This may be the case, for example, if the supplier requires that we pay them for services provided to our franchisees. (Franchise Agreement, §9.3).

We will maintain a website for the System, and you may not maintain your own website for your Franchised Brewery unless we expressly permit. We will, however, provide you with a subpage on the System website. You may be required to provide information for the subpage. We may permit you, or require you, to develop a local presence through social media. If we do, we will own the social media accounts. However, you will have administrative access to the accounts for your Franchised Brewery and be able to post to the accounts and manage them. Any online or digital presence that we allow, if any, such as social media (for example Facebook, Instagram, X/Twitter, and YouTube) and mobile applications, is subject to our social media policy and our general requirements about marketing and advertising. The social media policy (which is offset out in the Operations Manual) will include standards and requirements about content and design, as well as management of your accounts, and may require that we are either the owners of those accounts or have co-administrative rights to the accounts. (Franchise Agreement, §7.23).

We may develop a gift card program in which you will be required to participate. If we do, when you sell gift cards to customers, that revenue is paid to us and not included in your Gross Sales. When the gift card holder redeems their gift card, we will pay to you an amount equal to the amount redeemed through the gift card and the revenue from the gift card redemption will be included in your Gross Sales. (Franchise Agreement, §7.9).

We may also develop a customer rewards program. If we do, under the rewards program customers may earn points based on the amount of money they spend at Good News Locations. Those points are used to earn discounts on future orders. The rewards program may be changed for reasons we consider material in our sole discretion, such as, and without limitation, changes in the brand's needs, consumer expectations and technology. We reserve the authority to initiate, change, replace, or cancel the rewards program as we deem appropriate. (Franchise Agreement, §7.9).

Brand Development Fund

We may require you and other franchisees, on a weekly basis, to contribute as much as 4% of your respective prior month's Gross Sales to a Brand Development Fund that we will manage. The Brand Development Fund, when established, will pay for advertising, marketing, public relations and promotional activities we deem beneficial to the System. We will use the Brand Development Fund Contribution received from you, and all other contributions or amounts paid into the Fund, for the payment of costs associated with advertising, marketing, public relations and promotional activities, including the researching, creation, production, distribution, media placement, website creation, administration, maintenance and enhancement of social media, point of sale materials, local direct advertising, marketing strategy materials, market surveys, and local, state, regional or national advertising programs we may develop or have developed, and for any taxes incurred with regard to these funds. The Brand Development Fund will be intended to maximize recognition of the Licensed Marks and the patronage of Good News Locations generally. We will not ensure: that the Brand Development Fund expenditures spent in or affecting any geographic area will be proportionate or equivalent to the Brand Development Fund contributions made by Good News Locations operating in that geographic area; or that any particular Good News Location will benefit directly or in proportion to its Brand Development Fund contributions. We will have the right to determine the types of advertising and the media in which it will appear, as we deem appropriate. We will have the sole right to formulate and make policy decisions concerning every aspect of the advertising, consistent with applicable law. We need not spend the Brand Development Fund Contributions during any specific time period. Advertising may be handled by an outside advertising agency which we select. We will not use any of the Brand-Development Funds to solicit new franchise sales, however we may include copy in our advertisements indicating that franchise opportunities are available. (Franchise Agreement §§4.1.C, 9.4).

Unaudited financial statements of the Brand Development Fund will be prepared annually and made available to you on your reasonable request. If we do not use all of the funds deposited in the Brand Development Fund in a particular fiscal year, the remaining funds will be carried over to subsequent fiscal years. We will be entitled to reimbursement from the Brand Development Fund to cover our administrative and overhead expenses associated with operating the Brand Development Fund, such as reasonable salaries, administrative costs, travel expenses and similar expenses and costs we incur when administering the Brand Development Fund and the advertising and promotional programs we may develop or have developed. Money and assets of the Brand Development Fund will not be assets of ours. The Brand Development Fund will not be a trust. We will have a contractual obligation to hold all Brand Development Fund contributions for the benefit of the contributors and to use the contributions only for the purposes described in the Franchise Agreement. We will administer the Brand Development Fund. We will have no fiduciary obligation to you for administering the Brand Development Fund.

The Good News Locations owned by us, or our affiliate(s) will be required to contribute to the Brand Development Fund on the same basis as our franchisees.

The Brand Development Fund has not yet been created. Therefore, no money from the Brand Development Fund was spent in our last fiscal year.

Computer Systems

You will need to acquire (either by purchase or lease) the computer hardware and software system that we may specify from time to time ("**Computer System**"). The Computer System includes the hardware, software, and other venue network and infrastructure-related accessories and peripheral equipment used in the management and operation of the Franchised Brewery and in reporting and sharing information with us. We estimate the costs of the Computer System will range from $1,500 to $3,000, including costs associated with the POS system. Currently, the software and hardware we require includes but is not limited to: Square's POS system and related software, and the iMenu menu software system. In addition, you must have the following software and hardware, which currently may be obtained from, or provided by, vendors you select: accounting software, payroll software, a team management software system, as well as internet, telephone and telephone services. (Franchise Agreement §7.16).

You are responsible for acquiring and maintaining your Franchised Brewery's network & infrastructure materials (including but not limited to WAN, 4G backup, LAN, including cabling, wireless network, CCTV, data room, cooling and telephone), audio/video system, lighting system, music system as well as other venue systems required by us, such as but not limited to back-office system, payroll system, venue tip system, scheduling system, employee engagement system, finance system and reporting tools.

You are required to follow the standards, guidelines and procedures we may specify in the Operations Manual or otherwise in writing from time to time regarding the Computer System. You are responsible for any integrations between the Computer System and any systems owned and/or supported by you (such as but not limited to BI reporting, entry of work force sales data into the point-of-sale system, common data warehousing and reporting etc.). (Franchise Agreement §7.16).

Technology is quickly changing and as a result it is likely that the Computer System requirements, and options, will change during the term of your Franchise Agreement. You might periodically have to make upgrades and other changes to the Computer System that we may require or recommend in writing. (Franchise Agreement §7.16). The Franchise Agreement does not limit the number of changes to the Computer System we can require or the cost of those changes. As of the date of this disclosure document our requirements are described in our Operations Manual. Our Computer System must be able to electronically exchange information, messages, and other data with other computers by such means (including the Internet) and protocols as we direct in the Operations Manual.

Neither we, nor our any of our affiliates, nor any third party is required to provide you with ongoing Computer System maintenance, repairs, upgrades or updates, other than what you may separately contract for. We estimate that the costs associated with the maintenance and/or replacement of compenents of the POS system will cost between $100 - $500 per year. We do not have an estimate for the annual cost of any maintenance, updates, upgrades or support contracts you decide to enter into for other aspects of the Computer System.

You must provide us with unimpeded online access to your Computer System, including access to account activities, in the manner, form, and at the times requested by us. (Franchise Agreement §7.19). We reserve the right to change our specifications in the future to take advantage of technological advances or to adapt the system to meet changes in our operational needs or preferences.

We reserve the right to download sales information, 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 such data in any manner that we deem appropriate without compensation to you. (Franchise Agreement §§7.19, 7.22).

You are solely responsible for protecting your Computer System from viruses, computer hackers, and other computer-related and technology-related problems, and you may not sue us for any harm caused by computer-related and technology-related problems.

Credit Card and Gift Card Processing

You are required to accept debit cards, credit cards, stored-value gift cards or other non-cash payment systems, and participate in loyalty programs all as, specified by us to enable customers to purchase authorized products. You are also required to obtain all hardware and/or software needed to facilitate these non-cash payment systems. (Franchise Agreement §7.16.A).

You will be required to sign any documents necessary to implement the payment methods we designate. You also are required to comply with our standards for processing electronic payments and all other standards, laws, rules and regulations applicable to electronic payments that may be published from time to time by payment-card companies and made applicable to electronic payments, including the Payment Card Industry ("PCI") Data Security Standards, Fair and Accurate Credit Transactions Act. (Franchise Agreement §7.16.B). You are solely responsible for all costs of complying with such electronic payment requirements. Our credit card processor and gift card processor is Square. Currently, you must facilitate and accept payments by credit cards and gift cards, and you must use the Square POS system for both of these payment methods. We may negotiate different arrangements with different providers of these services. We will notify you of any change in designated suppliers for these services.

Operations Manual

The table of contents of our Operations Manual as of the date of this disclosure document is attached as **Exhibit F**. The manual has 106 pages.

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TRAINING PROGRAM

Column 1 Subject	Column 2 Hours of Classroom Training	Column 3 Hours of On-the-Job Training	Column 4 Location
Welcome and Orientation	1	0	Defiance, MO
Core Operations and Opening Procedures—Opening Checklist and Station Setup	4	0	Defiance, MO
Core Operations and Opening Procedures—Daily Operations Overview	3	0	Defiance, MO
Core Operations and Opening Procedures—Customer Service During Opening	3	0	Defiance, MO
Pizza Making and Kitchen Operations—Dough Management	4	0	Defiance, MO
Pizza Making and Kitchen Operations—Pizza Making and Assembly	4	0	Defiance, MO
Pizza Making and Kitchen Operations—Oven Operations	4	0	Defiance, MO
Beverage Service and Bar Operations—Draft Beer Service	3	0	Defiance, MO
Beverage Service and Bar Operations—Bar Setup and Stocking	2	0	Defiance, MO
Customer Service and Dining Room Operations—Guest Interaction and Order Taking	3	0	Defiance, MO
Customer Service and Dining Room Operations—Complaint Resolution and Hospitality	2	0	Defiance, MO
Business Management and Compliance—Financial Management	3	0	Defiance, MO

Business Management and Compliance—Staff Scheduling and Leadership	2	0	Defiance, MO
Business Management and Compliance—Regulatory Compliance	2	0	Defiance, MO
Closing Procedures—Closing Checklist Walkthrough	3	0	Defiance, MO
Closing Procedures—Weekly Deep Cleaning Tasks	2	0	Defiance, MO
Marketing and Community Engagement	2	0	Defiance, MO
Soft Opening On-Site Training and Grand Opening Assistance	0	25	Your Location
Totals	**47**	**25**	

Initial Training

Your owners and your management level personnel must attend initial training. Initial training will be held as needed at our affiliate's Good News Location in Defiance, Missouri, or at an alternative location we designate. Most of the initial training we will use the Operations Manual and other materials that we deem appropriate from time to time.

The initial training will be conducted over four to five days.

Initial training will be directed by our co-founder, Dan Tripp, who will conduct most of the training. He will be assisted by management level employees of our affiliate's Good News Locations. Dan has more than a decade of experience with craft brewing and with the hospitality industry. In addition to founding the Good News brand, he also developed our signature recipes, including the techniques used to make our wood-fired pizzas, and prepared the System's procedures and standards. He also has an extensive background in team leadership, training and community engagement, in addition to his experience as an educator.

You, your owners and your management level personnel must complete initial training to our satisfaction before you can open your Franchised Brewery. There is no charge for you, your owners and your management personnel to attend initial training before you open. However, you will be responsible for the costs incurred by those attending training including their salaries and their costs travel, lodging, and meals.

You may choose, or we may require, subsequent management level employees you hire after completing initial training to receive training from us. We may charge for the training of subsequently hired management personnel whether you ask to have them trained by us, or we require them to attend our training.

On-Site Training

For two to three days during the period just before you open your Franchised Brewery for business, we will send a representative to conduct on-site training with you and your management-level staff. This training will help you ensure that your staff is prepared to full their roles and responsibilities, that you are familiar with, and prepared to operate consistent with our System's standards, and ensure that you are prepared to deliver an exceptional customer experience to the first customers of your Franchised Brewery. The on-site training will involve helping you prepare for and execute a soft opening for friends and family, a VIP night for local influencers and community members, and a soft opening for the general public. Our on-site training will also include our representative providing full-day support at your grand opening event.

Additional Or Refresher Training

We may make available other required or optional training courses, programs, conferences, seminars and materials to you, your owners, and/or your manager-level employees as we deem appropriate. We may require that you complete this additional training, or we may make it optional. Additional training may be provided online or in person at locations we designate. We may charge a reasonable training fee. Currently that fee is $250 per day per trainer.

In addition, all employees of your Franchised Brewery who are involved in food handling must pass and maintain all state-required food handling certifications applicable in your jurisdiction. We do not provide this training.

Item 12

TERRITORY

Protected Area:

You will operate your Franchised Brewery out of a specific location that must be approved by us (the "**Approved Location**"). If we have not approved of your Approved Location when you sign the Franchise Agreement, we will assign you a Site Development Area. The Approved Location must be within the Site Development Area. Once we have approved of your Approved Location, we will grant you a protected area for your Franchised Brewery (**"Protected Area"**). The Protected Area is typically the area within a radius of 1-3 miles from the Approved Location in urban or densely populated areas, and 3-5 miles in suburban or rural areas. However, your Protected Area may be larger or smaller depending on the characteristics of the area in which your Approved Location sits, such as its demographics, the median income of the residents, or workers, in the area, foot traffic, proximity to commercial or community gathering areas and the amount of competition in proximity. Your Protected Territory will not overlap the protected territory of another Good News Location. The size of the Protected Area will remain the same throughout the term of your Franchise Agreement and there is no minimum sales volume, market penetration, or other contingency or condition that will affect its size. We will not locate a Good News Location, or license someone the right to locate a franchised Good News Location, within your Protected Area as long as you are in compliance with your obligations under the Franchise Agreement. The Protected Area excludes certain types of locations (**"Captive Locations"**) even if they are located within the Protected Area. Captive Locations include enclosed shopping centers/malls, airports, train stations, hotels and resorts, amusement and theme parks, sport stadiums and arenas, colleges, and government facilities, such as military bases.

Your Rights in the Protected Area:

There are certain limitations to the protections granted to you in the Protected Area. You will not receive an exclusive territory as you may face competition from other franchisees, from outlets that we own, from other channels of distribution we use or competitive brands we control as described below. Generally, we will not open our own Good News Locations or license our affiliates or any other franchisees to operate Good News Locations in your Protected Area, but this protection excludes Good News Locations in Captive Locations. We and other Good News Brewing franchisees have the right to market and advertise in your Protected Area and to sell products and services to customers who live and/or work in the Protected Area. Also, we and our affiliates may use other channels of distribution (such as wholesale, sales through grocery stores, other retail stores, the Internet, catalogs, telemarketing, other direct marketing sales techniques, and sales at temporary locations and events) to offer Good News Brewing services and products in your Protected Area, and if we develop another brand of restaurants, or another type of business, that brand may operate in your Protected Area or distribute products or services in your Protected Area. Neither we, nor our affiliates or other franchisees, owe you any compensation for sales in your Protected Area, but you also do not owe us or other franchisees any compensation if you service customers who live or work outside of your Protected Area.

You cannot relocate your Franchised Brewery without notifying us in advance, paying the relocation fee, and obtaining our prior written consent. We will evaluate your new proposed site pursuant to the standards and criteria we apply to new Good News Locations at the time of your request. We do not grant any right of first refusal or similar rights to acquire additional franchises. If you want to buy an additional franchise you will have to go through the same process as other new prospective franchisees.

Though we currently have no plans to do so, we reserve the right to market, sell, and license others to market and sell, similar products and services to those offered by your Franchised Brewery in your Protected Area, as long as they are offered under trademarks that are different from the Licensed Marks.

Delivery and Offsite Sales:

We may enter into agreements with third-party delivery providers, such as Uber, GrubHub, or DoorDash, and may require you to participate in those delivery programs. You may not enter into any agreements with third-party delivery providers without our express, written consent, which we may withhold in our sole discretion.

You may also be approved by us to offer other offsite sales at specific locations, for example at events, or in more or less permanent satellite locations. Any such offsite sales must follow our then current standards and rules for such services. There is no guarantee that the same location will be approved on a continued basis.

Item 13

TRADEMARKS

We grant you the non-exclusive right to operate the Franchised Brewery under the Licensed Marks which include the following principal trademarks, service marks, names, logos and commercial symbols which our affiliate, GNB, owns and has licensed to us (the Principal Register of the United States Patent and Trademark Office ("USPTO") errantly indicates that the name of the marks' owner is Good News Brewery Company and as of the issuance date of this disclosure document a correction filing is pending with the USPTO). GNB has registered for the following trademark with the USPTO.

Mark	Serial Number	Registration Date	Principal or Supplemental Register of USPTO
Word Mark: Good News Brewing Company	87225901	January 16, 2018	Principal

We entered into an intellectual property license with our affiliate Good News Brewery Company on February 17, 2025 that gives us the right to use its proprietary intellectual property, including the trademarks and the System, in our business and to license them to our franchisees for use in the operation of Good News Locations. The intellectual property license agreement is for a 50-year term. The license agreement can be terminated upon the material breach of either party, or upon our abandonment of the franchise system. If the agreement is terminated, you would have the right to continue using the trademarks and System until the expiration or termination of any Franchise Agreement you have entered into with us before the termination of the trademark license agreement.

We will grant you a nontransferable, non-sublicensable, non-exclusive license to use the Licensed Marks in connection with your franchise. You must follow our rules when you use these marks. You cannot use our name or a Licensed Mark as part of your corporate name or with modifying words, designs or symbols, except for those which we instruct, or otherwise permit, you to use. You cannot use any Licensed Mark in connection with the performance or sale of any unauthorized services or products in connection with any other business or in any manner we have not expressly authorized in writing.

We do not yet have a federal registration for any of our principal trademarks, though we have applied to have them registered. Therefore, our trademarks do not have the legal benefits and rights of a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administration of any state, or any court, nor are there any pending infringement, opposition or cancellation proceedings or material litigation involving any of the principal trademarks.

There are no agreements currently in effect which significantly limit our right to use or license the use of the Licensed Marks in a manner material to the Franchised Brewery you would operate.

We and our affiliate intend to take reasonable steps to preserve and protect our ownership of and right to use the Licensed Marks and the validity of the Licensed Marks. We are not obligated to protect any rights granted to you to use the Licensed Marks or to protect you against claims of infringement or unfair competition regarding the Licensed Marks. Nevertheless, it may be in our best interest to do so.

You must notify us immediately when you learn about an infringement of, or challenge to, your use of the Licensed Marks. We will take the action we think is appropriate. You must cooperate fully in prosecuting, defending, or settling any litigation involving the Licensed Marks, including being named as a party in the action at our request. We will undertake the defense of the litigation and will bear the costs of the litigation, except for the costs of any legal counsel separately retained by you. If we require you to modify a Licensed Mark that we have previously required you to use, we will pay for your direct expenses associated with the removal of the old trademark and its replacement.

We do not know of any infringing uses that could materially affect your use of our principal marks. You must modify or discontinue the use of a Licensed Mark if we modify or discontinue the use of a trademark as a result of a proceeding or settlement. You also must not directly or indirectly contest our right to our trademarks, trade secrets, or business techniques that are part of the System. You must maintain the confidentiality of the Operations Manual and any other manuals created for or approved for use in the operation of the Franchised Brewery, and the information contained in the manuals.

We have the right to change the Licensed Marks to be used by you at any time and for any reason we deem appropriate. If we decide to modify or discontinue the use of a Licensed Mark and/or to use one or more additional or substitute names or marks, you must make the changes we require of you at your own expense and without claim against us except as noted above and in the Franchise Agreement. You will need to comply within a reasonable time of us giving you notice of the required change.

Item 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

No patents are material to the franchise we are offering.

We claim copyrights in the Operations Manual, advertising material and related items used in operating the System. Although we have not filed an application for a copyright registration for those items, we claim copyright and the information is proprietary. We are not obligated to take any action to protect our copyrighted materials but will respond to any challenges as we think appropriate.

There currently are no effective determinations of the United States Copyright Office (Library of Congress) or any court regarding any of the copyrighted materials. There are no agreements in effect which significantly limit our right to use or license the copyrighted materials. Finally, there are no infringing uses actually known to us, which could materially affect your use of the copyrighted materials in any state. We are not required by any agreement to protect or defend copyrights or to defend you against claims arising from your use of the copyrighted materials. If there would be any copyright litigation regarding our copyrighted materials, we will control the litigation. This is independent of whether you modify or discontinue using the subject matter of the copyright. We may at any time require you to stop using any copyrighted materials and you will be required to do so. We are not required by the Franchise Agreement to participate in your defense or indemnify you for expenses or damages in a proceeding involving a copyright licensed to you. If copyrighted materials are discontinued or modified during the term of the Franchise Agreement you must stop using the discontinued or modified copyrighted materials.

The Operations Manual and other materials we provide to you contain our confidential and proprietary information. References in this disclosure document to the "Operations Manual" includes all updates, supplements, bulletins, etc., in any form including without limitation, written or electronic form, all of which may be modified from time to time. Certain information about the operation of the Franchised Brewery including the standards, methods, procedures and specifications of the System, including the contents of the Operations Manual, is derived from information we disclose to you and all that information is of a proprietary and confidential nature and our trade secrets ("**Confidential Information**"). You (if you are an individual) and each of your Owners, officers, directors, members, partners, managers, employees and agents (if you are an entity) must maintain the absolute confidentiality of all Confidential Information both during the term of your Franchise Agreement and after its termination or expiration or the sale of your interests in the Franchised Business. You may use the Confidential Information only to the extent necessary to operate the Franchised Brewery. You cannot disclose that Confidential Information for any reason, except to your Owners, officers, directors, members, partners, managers, employees and agents and only to the extent necessary for the operation of the Franchised Brewery. You must sign, and shall cause all persons receiving the Confidential Information to sign, the Confidentiality Agreement attached as **Exhibit J**. You cannot use any Confidential Information in any other business or in any other manner or obtain any benefit from it not specifically approved in writing by us during the term of your Franchise Agreement or afterwards. You may not use our Confidential Information in an unauthorized manner and must take all reasonable steps to prevent its disclosure to those not expressly authorized to have it. You must promptly tell us when you learn about any unauthorized use or disclosure of our Confidential Information.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You are required to attend and complete the initial training course. You are also required to be actively involved in the management of the location. Further you must, at all times, employ a manager who shares your commitment to the Good News Brand's mission and customer experience standards, and who has completed the required training, either before the Franchised Brewery opens, or within 120 days of their hire if they are hired after the initial opening. Your manager is not required to have any equity interest in the franchisee entity, if it is an entity. Should an existing manager leave your employment, a replacement should be hired within 30 days. You or your manager must be supervising and managing the operations of the Franchised Brewery at all times during its operations. We strongly recommend that you, or your principal owner (if you are an entity) personally supervise the Franchised Brewery's operation as much as possible and especially during key business hours and during privet and public events.

If you are a legal entity, your owner(s) must personally guarantee your obligations under the Franchise Agreement and agree to be bound personally by every contractual provision, including monetary or non-monetary obligations and specifically including the covenant not to compete. The guarantee is included in the Franchise Agreement attached as **Exhibit D**.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We require and permit you to offer and sell only those menu items, products and services that we have approved. We have the right to change the required and/or authorized menu items, products or services and you will be notified of any such change in writing (e.g., by a bulletin or a supplement to the Operations Manual). You are prohibited from offering or selling any menu items, products or services not authorized or approved by us in advance. We, in our discretion, may approve or deny your request to eliminate or add menu items, services or products. In accordance with applicable law, we have the right to set the prices at which you will sell products and services. You also agree to add such equipment and make such alterations, at your expense, as may be necessary to equip the Franchised Brewery for the preparation and sale of all the menu items, products and services we require, from time to time. You recognize that you may need to make an additional investment to do so if our required menu items, products or services change.

Item 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Franchise Agreement

Provision	**Section in franchise or other agreement**	**Summary**
a. Length of the franchise term	§3.1	Ten (10) year initial term
b. Renewal or extension of the term	§3.2	Three (3) renewal terms of five (5) years each
c. Requirements for franchisee to renew or extend	§3.2	You must: notify us within 12 months (but not more than 18 months) before the Franchise Agreement expires of your request for a successor agreement; not be in default under the Franchise Agreement; be current on all payments to us, our affiliates, and your suppliers; renovate your Approved Location to our then-current standards; have the right to remain in possession of your Approved Location or have found substitute premises; sign our then current form of franchise agreement for successor franchisees; pay us a successor agreement fee; and you and your guarantors must sign a general release. Further you may be asked to sign a successor franchise agreement with materially different terms and conditions than your original contract.

Provision	Section in franchise or other agreement	Summary
d. Termination by franchisee	Not Applicable	You may terminate the Franchise Agreement under any grounds permitted by law or the Franchise Agreement may be terminated by the mutual written agreement of both you and us.
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with cause	§§14.1.B-D	We can terminate only if you default.
g. Cause defined – curable defaults	§§14.1.B, D	You generally have 10 days to cure nonpayment of any financial obligation and 30 days to cure failure to submit reports, provide information, maintain our standards or any other default not specified in Article 14.1.B. If you fail an inspection for any health or safety reason, we have the right to require that you immediately, temporarily close all or part of your location until the dangers to health and safety have been remedied.
h. Cause defined – non-curable defaults	§14.1.B, C	Non-curable defaults: failure to timely begin construction of your Approved Location, timely submit a site application, timely complete construction of your Approved Location, timely open your Approved Location, cease operating or abandon your Approved Location, forfeit the right to do business in the jurisdiction where your location is located, conviction of felony, violation of Anti-Terrorism Laws, unapproved transfers,

Provision	Section in franchise or other agreement	Summary
		improper use or disclosure of confidential information, false reporting or submissions to us, under-reporting Gross Sales, repeated defaults even if cured, entry of judgment against you which remains unsatisfied for 30 days, levy against your Franchised Brewery or Approved Location, action brought to foreclose a lien or mortgage against your Approved Location or equipment which is not dismissed in 30 days, you become insolvent, a receiver is appointed to take possession of your Franchised Brewery or Approved Location, you make a general assignment for the benefit of your creditors, you engage in public conduct that reflects materially and unfavorably upon the System, or the goodwill associated with the Marks, you commit three defaults during the Term regardless of whether the defaults are cured, or you are in default under any other Franchise Agreement or other agreement with us or our affiliates which is not curable, or, if the default is curable, you have not cured within the cure period. Also, upon condemnation of your location or bankruptcy.
i. Franchisee's obligations on termination/non-renewal	§15.1	Cease operating your Franchised Brewery; discontinue use of the Marks and advertising; complete de-identification as a franchisee of

Provision	Section in franchise or other agreement	Summary
		ours; transfer telephone numbers and listings to us; deliver all materials and documents for your Franchised Brewery to us; modification and alteration of your Approved Location; cease using the System and Operations Manual; remove any aspect of the Approved Location or your Franchised Brewery's assets that have Good News Brewing's distinctive shape, color and/or design; allow us, at our option, to destroy, remove or alter, at your cost, all your usable materials bearing the marks; sell movable signs and other FF&E or supplies to us at their value as agreed upon by you and us or set by an appraiser; promptly pay all amounts due us including the liquidated damages set forth in Article 15.2; and maintain and preserve your financial and other records and make them available for our inspection. If we give you notice, sell the assets of your Franchised Brewery to us or our assignee. See State Addenda.
j. Assignment of contract by franchisor	§13.1	No restriction on our right to assign.
k. "Transfer" by franchisee – defined	§§1.2.SS, 13.2, 13.6, 13.8, 13.9	Transfer means voluntary or involuntary direct or indirect assignment, sale, gift or other transfer of your Franchise Agreement or any of your rights or obligations as a franchisee (your "Franchised Interest"), including (i) the transfer of

Provision	Section in franchise or other agreement	Summary
		ownership of your stock, partnership or limited liability company ownership interest; (ii) merger, reorganization, consolidation or issuances of additional securities representing an interest in your Franchised Brewery; (iii) sale of more than a 50% interest in the Franchised Brewery; (iv) transfer of a Franchised Interest in a divorce, insolvency, corporate partnership dissolution or otherwise; (v) transfer of a Franchised Interest by will, trust or intestate succession; (vi) change in ownership or control of the Franchised Brewery or franchisee if franchisee is an entity; (vii) any change in trustee or beneficial owner of a trust (if the trust is the franchisee or has more than a 50% interest in the Franchised Interest); or (viii) any pledge, hypothecation or encumbrance of any Franchised Interest as security for an obligation.
l. Franchisor approval of transfer by franchisee	§13.3, 13.10	You may not transfer your Agreement, your Franchise, or any ownership interest in the Franchise, your Franchised Brewery or a substantial portion of your Franchised Brewery's assets, without our consent.
m. Conditions for franchisor approval of transfer	§13.3, 13.4, 13.8, 13.9, 13.10	For most transfers, we require the transferee to meet our criteria for new franchisees, the transferee owners must sign a guarantee, you must pay a transfer fee, all your monetary obligations must be satisfied,

Provision	Section in franchise or other agreement	Summary
		you and your owners must release us from claims, and you must agree to continue to be liable for obligations related to the Franchised Brewery from before the transfer. If the transfer results in a change of control of the franchisee or the Franchised Brewery the transferee will have to sign our then current form of franchise agreement for the reminder of the term of your Franchise Agreement, your location will have to be upgraded to meet our then current standards for new Franchised Breweries, and the transferee and at least one of its owners must complete to our satisfaction those training programs we require. For some transfers we do not require the transferees to submit a new franchisee application, even though the other transfer requirements apply. This is the case if (1) you sign the Franchise Agreement as an individual, and wish to transfer it to a corporation, partnership or limited liability company that you maintain the same ownership interest in, or (2) you are a corporation, partnership or limited liability company, and you propose to transfer an aggregate of up to 25% of your outstanding voting ownership interests to your employees who are actively engaged in the operations of your Franchised Brewery.

Provision	Section in franchise or other agreement	Summary
		We may withhold the consent in our sole discretion in the case of a public offering, and for a private offering will not unreasonably withhold it. For sales of securities or other interests by public or private offering, we may grant or deny approval based on whatever we deem to be in our best interests. The grant of a security interest in any of the assets of the Franchised Brewery, including the Franchise Agreement, requires our consent. We will require your lender to enter into an agreement with us regulating what will happen in the event of a default under the Franchise Agreement.
n. Franchisor's right of first refusal to acquire franchisee's business	§13.5	Any transfer of ownership, other than from you (if you are an individual) to a corporation, partnership or limited liability company owned by you, is subject to our right of first refusal. A sale of your assets is also subject to our right of first refusal. We have the option for 30 days following our receipt of notice of transfer to exercise our right. We can purchase the ownership interest in franchisee or the assets on the same terms as those offered by you to the third party.
o. Franchisor's option to purchase franchisee's business	§14.3	Upon termination for any reason, or expiration, of the Franchise Agreement, we have the option for 30 days following the termination or expiration to

Provision	Section in franchise or other agreement	Summary
		purchase your assets. If we cannot agree on a price we shall each appoint an appraiser to determine the price independently. If the higher price is not greater than 10% the lower price, then the price shall be 105% of the lower purchase price. Otherwise the two appraisers shall select a third appraiser, who shall determine the purchase price.
p. Death or disability of franchisee	§§13.6, 13.7	If you die or become incapacitated (and you are personally the franchisee or the owner of more than 50% of the franchisee), your executor or other legally appointed personal representative must appoint, within 30 days, an approved management company to operate your Franchised Brewery. Pending the appointment and subject to legal formalities, we can manage your Franchised Brewery. Your executor or other legally appointed personal representative must also transfer all your interests to a third party within 1 year. With our consent, your estate or legally appointed personal representative may transfer all your interest to your spouse, parent, sibling, direct descendant or spouse's direct descendant
q. Non-competition covenants during the term of the franchise	§11.12.A	You cannot use the Approved Location for any purpose or activity except to operate the Franchised Brewery and you

Provision	Section in franchise or other agreement	Summary
		cannot use it to promote any competing business. During the term of the Franchise Agreement, you may not compete with us by being associated with any restaurant that makes a majority of its revenue from pizza, any brew pub, or any bar that makes more than half of its alcohol sales revenue from the sale of craft beer.
r. Non-competition covenants after the franchise is terminated or expires	§11.12.B	For 2 years after any transfer, expiration, or termination of the Franchise Agreement, anywhere in your Protected Area or within a 25 mile radius from any other System Location. The definition of what is a competing business is the same as for the in-term covenant not to compete.
s. Modification of the agreement	§20.1	No modifications generally unless in a writing signed by you and one of our officers. However, our Operations Manual is subject to change at our discretion.
t. Integration/merger clause	§20.1	Only the terms of the franchise agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement are not enforceable. *However, nothing in the Franchise Agreement or any related agreement is intended to disclaim representations we made in the Franchise Disclosure Document furnished to you.

Provision	Section in franchise or other agreement	Summary
u. Dispute resolution by arbitration or mediation	§19.2	If a dispute cannot be resolved through negotiations, the dispute will be referred to mediation. The mediation will take place in the county and state where we have our principal place of business, using a mediator agreed upon between us.
v. Choice of forum	§19.4.A	Litigation must be in any state court of general jurisdiction in the county or state, or in the U.S. District Court for the district, in which we have our principal place of business, which is currently the United States District Court for the District in St. Charles County, Missouri. You will submit to the jurisdiction of those courts. *See State Addenda
w. Choice of law	§20.2	Missouri law applies. *See State Addenda

There are state specific addenda attached as **Exhibits C and E** for the states of California, Hawaii, Illinois, Maryland, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia and Washington. The Michigan Addendum is attached following the state cover page.

Item 18

PUBLIC FIGURES

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

Item 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

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 Daniel Tripp, Co-Founder, Good News Franchise, LLC, 3 Pewter Court, O'Fallon, Missouri 63366, (314) 608-2903, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20

OUTLETS AND FRANCHISEE INFORMATION

Table 1
Systemwide Outlet Summary
For Years 2022 to 2024

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised[(1)]	2022	0	0	+/- 0
	2023	0	0	+/- 0
	2024	0	0	+/- 0
Company-Owned	2022	3	4	+1
	2023	4	4	+/- 0
	2024	4	4	+/- 0
Total Outlets	2022	3	4	+1
	2023	4	4	+/- 0
	2024	4	4	+/- 0

(1) We started offering franchises as of the issuance date of this Disclosure Document.

Table 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2022 to 2024 [1]

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Total	2022	0
	2023	0
	2024	0

(1) We started offering franchises as of the issuance date of this Disclosure Document.

Table 3
Status of Franchised Outlets
For Years 2022 to 2024 [1]

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations-Other Reasons	Column 9 Outlets at End of the Year
Totals	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0

(1) We started offering franchises as of the issuance date of this Disclosure Document.

Table 4
Status of Company-Owned Outlets
For Years 2022 to 2024

Column 1 State	Column 2 Year	Column 3 Outlets at Start of the Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired From Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisees	Column 8 Outlets at End of the Year
Missouri	2022	3	1	0	0	0	4
	2023	4	0	0	0	0	4
	2024	4	0	0	0	0	4
Totals	2022	3	1	0	0	0	4
	2023	4	0	0	0	0	4
	2024	4	0	0	0	0	4

Table 5
Projected Openings As Of December 31, 2024

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company – Owned Outlets in the Next Fiscal Year
Illinois	0	1	0
Missouri	0	0	1
Total	0	1	1

Attached as **Exhibit G** is a list of the names of all franchisees and their addresses and telephone numbers of their outlets as of the issuance date of this disclosure document.

Attached as **Exhibit H** is a list of the name, city and state and current business telephone number or last known home telephone number of every franchisee who, in our most recent full fiscal year; had an outlet terminated, cancelled, not renewed or otherwise voluntarily or involuntarily closed to do business under the Franchise Agreement; or who has not communicated with us within 10 weeks of this disclosure document's issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Our franchisees have not signed any confidentiality clauses during the last three fiscal years that must be disclosed in this disclosure document.

There is no active trademark-specific franchisee association associated with our franchise system.

Item 21

FINANCIAL STATEMENTS

Attached to this disclosure document as **Exhibit I**, is our opening balance sheet as of February 13, 2025. If required by state law, unaudited financial statements of a more recent date are also included in **Exhibit I**. Our fiscal year ends on December 31st. We have has not been in business for three years or more and therefore cannot include all the financial statements required by the Rule for the last three fiscal years.

ITEM 22

CONTRACTS

The following agreements are attached to this disclosure document:

(a) Franchise Agreement - **Exhibit D**
(b) State specific Amendments to Franchise Agreement for franchisees in Illinois, Maryland, Minnesota, New York, North Dakota and Washington - **Exhibit E**
(c) Confidentiality Agreement **Exhibit J**
(d) General Release - **Exhibit K**

ITEM 23

RECEIPTS

The last 2 pages of this disclosure document are receipt pages (**Exhibit L**). Please date and sign both copies immediately upon receipt. Detach the last page and return to us promptly upon execution. Retain the other copy of the receipt page for your records.

EXHIBIT A

LIST OF STATE ADMINISTRATORS

State Administrators

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws.

California

Department of Financial Protection and Innovation
State of California
320 West 4th Street
Suite 750
Los Angeles, California 90013
(213) 576-7500
(866) 275-2677

Hawaii

Hawaii Commissioner of Securities
Department of Commerce and Consumer Affairs
Business Registration Division
State of Hawaii
P.O. Box 40
Honolulu, Hawaii 96810
(808) 586-2744

Illinois

Franchise Bureau
Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

Indiana

Franchise Section
Indiana Securities Division
Room E-111
302 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6681

Maryland

Office of the Attorney General
Securities Division
State of Maryland
200 St. Paul Place
Baltimore, Maryland 21202
(410) 576-6360

Michigan

Franchise Unit
State of Michigan
Department of Attorney General
525 W. Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, MI 48909
(517) 373-7117

Minnesota

Minnesota Department of Commerce
Franchise Section
85 7th Place East, Suite 280
St. Paul, Minnesota 55101-2198
(651) 539-1500

New York

Bureau of Investor Protection and Securities
New York State Department of Law
28 Liberty Street, 21st Floor
New York, New York 10005
(212) 416-8222

North Dakota

North Dakota Securities Department
600 East Boulevard Avenue
State Capital Fourteenth Floor, Dept 414
Bismarck, North Dakota 58505-0510
(701) 328-4712

Oregon

Department of Consumer and Business Services
Division of Finance and Corporate Securities
State of Oregon
Labor and Industries Building
Salem, Oregon 97310
(503) 378-4140

Rhode Island

Division of Securities
State of Rhode Island
233 Richmond Street, Suite 232
Providence, Rhode Island 02903
(401) 222-3048

South Dakota

Department of Labor and Regulation
Division of Insurance
Securities Regulation
124 South Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-3563

Virginia

State Corporation Commission
Division of Securities & Retail Franchising
Commonwealth of Virginia
1300 E. Main Street, Ninth Floor
Richmond, Virginia 23219
(804) 371-9051

Washington

Department of Financial Institutions
Securities Division
State of Washington
P.O. Box 9033
Olympia, Washington 98507-9033
(360) 902-8738

Wisconsin

Division of Securities
Department of Financial Institutions
Wisconsin Commissioner of Securities
P.O. Box 1768
Madison, Wisconsin 53701-1768
(608) 266-8559

EXHIBIT B

AGENTS FOR SERVICE OF PROCESS

AGENTS AUTHORIZED TO RECEIVE SERVICE OF PROCESS, BY STATE

Matthew R Fair, 3 Pewter Court, O'Fallon, MO 63366 is authorized to receive service of process for us in Missouri.

California

Commissioner of Financial Protection and Innovation
Department of Financial Protection and Innovation
State of California
Suite 750
320 West 4th Street
Los Angeles, CA 90013-2344

Hawaii

Hawaii Commissioner of Securities
Department of Commerce and
Consumer Affairs
Business Registration Division
State of Hawaii
335 Merchant Street
Room 204
Honolulu, Hawaii 96813

Illinois

Office of Attorney General
State of Illinois
500 South Second Street
Springfield, IL 62706

Indiana

Secretary of State
State of Indiana
201 State House
200 W. Washington St.
Indianapolis, IN 46204

Maryland

Maryland Securities Commissioner
Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202-2020

Michigan

Michigan Department of Commerce
Corporation & Securities Bureau
6546 Mercantile Way
Lansing, MI 48909

Minnesota

Commissioner of Commerce
Minnesota Department of Commerce
Franchise Section
85 7th Place East, Suite 280
St. Paul, MN 55101-2198

New York

Secretary of State
State of New York
41 State Street
Albany, NY 12231

North Dakota

Securities Commissioner
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol Fourteenth Floor, Dept 414
Bismarck, North Dakota 58505-0510

Oregon

Department of Consumer and Business Services
Division of Finance and Corporate Securities
State of Oregon
350 Winter Street, N.E., Room 21
Portland, OR 97310

Rhode Island

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

South Dakota

Franchise Administration
Division of Securities
Department of Revenue and Regulation
State of South Dakota
118 West Capitol Avenue
Pierre, SD 57501-2000

Virginia

Clerk of the State Corporation Commission
Commonwealth of Virginia
1300 E. Main Street, 9th Floor
Richmond, VA 23219

Washington

Director of Financial Institutions
Securities Division
State of Washington
150 Israel Rd., S.W.
Olympia, WA 98501

Wisconsin

Commissioner of Securities
Wisconsin Securities Commission
345 W. Washington Ave., 4th Floor
Madison, WI 53703

EXHIBIT C

STATE ADDENDA TO FDD

MULTI-STATE ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT (FOR THE FOLLOWING STATES: CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, WI)

This Addendum pertains to franchises sold in the state that have adopted as law the NASAA Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgements (the "SOP") and is for the purpose of complying with the statutes and regulations of such states. For franchises sold in such states, this franchise disclosure document is amended by adding the following section at the end of Item 9:

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

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE CALIFORNIA FRANCHISE INVESTMENT LAW

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 FRANCHISE DISCLOSURE DOCUMENT.

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

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

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

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

The franchise agreement requires application of the laws of the state of Missouri. This provision may not be enforceable under California law.

Section 31125 of the Franchise Investment Law requires us to give to you a disclosure document approved by the Commissioner of Corporations before we ask you to consider a material modification of your Franchise Agreement.

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

Neither the Franchisor nor any person listed in Item 2 of this franchise 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 such association or exchange.

Section 19.5 of the Franchise Agreement limits the statute of limitations to the lesser of one year after the date of discovery of the facts or two years after the date of the first act or omission giving rise to the claim. This provision is void to the extent it is inconsistent with the provisions of Corporations Code 31303- 31304. Corporations Code Section 31512 provides that "Any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this law or any rule or order is void."

OUR WEBSITE IS WWW.GOODNEWSBREWING.COM. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE HAWAII FRANCHISE INVESTMENT LAW

THESE FRANCHISES HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS 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 (7) DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN (7) DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

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

No release language set forth in the Franchise Agreement shall relieve the franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising in the State of Hawaii.

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE ILLINOIS FRANCHISE DISCLOSURE ACT

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Illinois:

1. Item 17 of the Franchise Disclosure Document is amended by the addition of the following language at the beginning thereof:

"Notice Required By Law

> THE TERMS AND CONDITIONS UNDER WHICH YOUR FRANCHISE CAN BE TERMINATED AND YOUR RIGHTS UPON NON-RENEWAL MAY BE AFFECTED BY ILLINOIS LAW, 815 ILCS 705/19 - 705/20."

2. The provisions of the Illinois Franchise Disclosure Act of 1987 (the "Act") shall supersede any provisions of the Franchise Agreement or Missouri law which are in conflict with the Act.

3. The provisions of Section 27 of the Act supersede the provisions of Section 19.5 of the Franchise Agreement that set a limitation period of the lesser of one year after the date of discovery of the facts or two years after the date of the first act or omission giving rise to the claim, to the extent that claims are brought under Section 26 of the Act.

4. Nothing in Section 20.2 of the Franchise Agreement waives any rights you may have under Section 41 of the Illinois Franchise Disclosure Act of 1987.

5. The provisions of Section 4 of the Act supersede Section 19.4 of the Franchise Agreement which provides for venue in a forum outside of Illinois.

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW

1. Item 17.c ("Requirements for franchisee to renew or extend") and Item 17.m ("Conditions for franchisor approval of transfer") of the Franchise Disclosure Document are amended to provide that "The requirement that you provide a general release of all claims against us in order to renew or transfer your franchise shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law."

2. Item 17.g ("Cause defined – curable defaults") of the Franchise Disclosure Document is amended to provide that "Termination upon filing of a bankruptcy petition against you or any shareholder may not be enforceable under federal bankruptcy law."

3. Item 17.v ("Choice of forum") in the Franchise Disclosure Document is amended to provide that "Franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law."

4. Nothing in the Franchise Disclosure Document or in the Franchise Agreement is intended to nor shall act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Act.

5. Any claim arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

6. Item 17.t ("Integration/merger clause"), summary column, is amended by deleting the last sentence and substituting the following:

> "However, nothing in the Franchise Agreement or any related agreement is intended to disclaim, or require you to waive reliance on, any representations we made in the Franchise Disclosure Documents or its exhibits that we furnished to you."

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE MINNESOTA FRANCHISE INVESTMENT LAW

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document and/or Franchise Agreement, as applicable, the following provisions shall supersede and apply to all franchises offered and sold in the State of Minnesota:

1. The Minnesota cover page is amended to add the following statements:

> **"THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.**
>
> **THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE LICENSE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE."**

2. The following language is added to Item 13 of the Franchise Disclosure Document and Section 12.5 of the Franchise Agreement:

> "The Minnesota Department of Commerce requires the Franchisor to indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the Franchisee's use of the tradename infringes trademark rights of the third party. Franchisor

> indemnifies Franchisee against the consequences of Franchisee's use of the tradename in accordance with the requirements of the license, and, as a condition to indemnification, Franchisee must provide notice to Franchisor of any such claims within ten (10) days and tender the defense of the claim to Franchisor. If Franchisor accepts the tender of defense, Franchisor has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim."

3. Item 17 of the Franchise Disclosure Document and Section 14.1 of the Franchise Agreement are amended as follows:

> "With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that a Franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement."

4. No release language set forth in the Franchise Agreement shall relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Minnesota.

5. Item 17 of the Franchise Disclosure Document is amended to add the following and the following language will appear at the end of Section 19.4 of any Franchise Agreement issued in the State of Minnesota:

> "Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Franchise Disclosure Document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by laws of the jurisdiction."

6. Minn. Rule 2860.4400J prohibits waiver of a jury trial. Accordingly, Item 17 of the Franchise Disclosure Document and Section 19.4.B of the Franchise Agreement are amended as follows:

> "Nothing contained herein shall limited Franchisee's right to submit matters to the jurisdiction of the courts of Minnesota to the full extent required by Minn. Rule 2860.4400J."

7. Item 17 of the Franchise Disclosure Document and Section 19.4.B of the Franchise Agreement are amended as follows:

> "Nothing contained herein shall limited Franchisee's right to submit matters to the jurisdiction of the courts of Minnesota to the full extent required by Minn. Rule 2860.4407J."

8. These states have statutes which limit the franchisor's ability to restrict your activity after the Franchise Agreement has ended: California Business and Professions Code Section 16,600, Florida Statutes Section 542.33, Michigan Compiled Laws Section 445.771 *et seq*., Montana Codes Section 30-14-201, North Dakota Century Code Section 9-08-06, Oklahoma Statutes Section 15-217-19, Washington Code Section 19.86.030. Other states have court decisions limiting the franchisor's ability to restrict your activity after the Franchise Agreement has ended.

9. A provision in the Franchise Agreement which terminates the franchise upon bankruptcy of the franchise may not be enforceable under Title 11, United States Code Section 101.

10. Franchisor will protect the Franchisee's right granted hereby to use the Marks or will indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit, or demand regarding the use of the Marks.

11. Section 19.5 of the Franchise Agreement is amended by adding the following:

> "Any claims pursuant to Minn. Stat. Sec. 80C.17 may be commenced within the time period provided in Minn. Stat. Sec. 80C.17, subd. 5."

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE NEW YORK FRANCHISE LAW

1. The cover page of the Franchise Disclosure Document is amended to add the following statement:

> **INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

2. Item 3 of the Franchise Disclosure Document is amended by deleting the last paragraph and substituting the following:

> "Neither we, our predecessor, nor a person identified in Item 2, or an affiliate offering franchises under our principal trademark:
>
> A. Has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion; misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations. Moreover, there are no pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
>
> B. Has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten year period immediately preceding the application for registration, has been

convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antitrust 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 injunction 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.

D. 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 injunction or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent."

3. Item 4 of the Franchise Disclosure Document is amended by deleting the last paragraph and substituting the following:

> "Neither we, our affiliate, our predecessor nor our officers during the 10 year period immediately before the date of the Franchise Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within one year after the officer or general partner of the franchisor held this position in the company or partnership."

4. Item 5 of the Franchise Disclosure Document is amended by adding the following to the subsection entitled "Initial Franchise Fee":

> "The Company will use the Initial Fee to cover its costs associated with fulfilling its obligations under the Franchise Agreement and to cover other overhead costs and expenses."

5. Item 17 of the Franchise Disclosure Document is amended by deleting the first paragraph and substituting the following:

> "THIS TABLE LISTS CERTAIN IMPORTANT PROVISIONS OF THE FRANCHISE AGREEMENT AND RELATED AGREEMENTS. YOU SHOULD READ THESE PROVISIONS IN THESE AGREEMENTS ATTACHED TO THIS FRANCHISE DISCLOSURE DOCUMENT."

6. Item 17 of the Franchise Disclosure Document is further amended by adding the following statement to the summary column (d) entitled "Termination by Franchisee":

> "Franchisee can terminate upon any grounds available by law."

7. Item 17 of the Franchise Disclosure Document is further amended by adding the following statement to the summary column (w) indicating the choice of law:

> "The foregoing choice of law should not be considered a waiver of any right conferred upon either the Franchisor or upon the Franchisee by the General Business Law of the State of New York."

8. The following language is added to Item 17 in the Summary section of provision (c), entitled "Requirements for Franchisee to Renew or Extend", and to Summary section of provision (m), entitled "Conditions for Franchisor Approval of Transfer":

> "However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied."

FRANCHISOR REPRESENTATION

THE FRANCHISOR REPRESENTS THAT THIS PROSPECTUS DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF MATERIAL FACT.

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE NORTH DAKOTA FRANCHISE LAW

The North Dakota Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with North Dakota law, including the North Dakota Franchise Investment Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17 (1995). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. If the Franchisee is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Law, or a rule or order under the Law, such release shall exclude claims arising under the North Dakota Franchise Investment Law, and such acknowledgments shall be void with respect to claims under the Law.

b. Covenants not to compete during the term of and upon termination or expiration of the Agreement are enforceable only under certain conditions according to North Dakota Law. If the Agreement contains a covenant not to compete which is inconsistent with North Dakota Law, the covenant may be unenforceable.

c. If the Agreement requires litigation to be conducted in a forum other than the State of North Dakota, the requirement is void with respect to claims under the North Dakota Franchise Investment Law.

d. If the Agreement requires that it be governed by a state's law, other than the State of North Dakota, to the extent that such law conflicts with North Dakota Law, North Dakota Law will control.

e. If the Agreement requires mediation or arbitration to be conducted in a forum other than the State of North Dakota, the requirement may be unenforceable under the North Dakota Franchise Investment Law. Arbitration involving a franchise purchased in the State of North Dakota must be held either in a location mutually agreed upon prior the arbitration or if the parties cannot agree on a location, the location will be determined by the arbitrator.

f. If the Agreement requires payment of a termination penalty, the requirement may be unenforceable under the North Dakota Franchise Investment Law

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE RHODE ISLAND FRANCHISE DISCLOSURE ACT

Section 19-28.1-14 of the Rhode Island Franchise Investment Act, as amended by the laws of 1991, 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."

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE VIRGINIA RETAIL FRANCHISE ACT

The following paragraph is added at the end of Item 17:

> "Virginia has a statute which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise: Virginia [Code 13.1-557 to 574]. Under §13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause."

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE WASHINGTON FRANCHISE INVESTMENT LAW

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Washington.

1. If any of the provisions in the Franchise Disclosure Document, Franchise Agreement, or Area Development Agreement are inconsistent with the relationship provisions of RCW 19.100.180 or other requirements of the Washington Franchise Investment Protection Act (the "Act"), the provisions of the Act will prevail over the inconsistent provisions of the Franchise Disclosure Document, Franchise Agreement, or Area Development Agreement with regard to any franchises sold in Washington.

2. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

3. The State of Washington's policy pursuant to its Administrative Regulations pertaining to releases is as follows:

> A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

4. Item 17 is amended to add the following:

> "These states have statutes which limit the franchisor's ability to restrict your activity after the Franchise Agreement has ended: California Business and Professions Code Section 16,600, Florida Statutes Section 542.33, Michigan Compiled Laws Section 445.771 *et seq.,* Montana Codes Section 30-14-201, North Dakota Century Code Section 9-08-06, Oklahoma Statutes Section 15-217-19, Washington Code Section 19.86.030. Other states have court decisions limiting the franchisor's ability to restrict your activity after the Franchise Agreement has ended.

A provision in the Franchise Agreement which terminates the franchise upon bankruptcy of the franchise may not be enforceable under Title 11, United States Code Section 101.

The following states have statutes which restrict or prohibit the imposition of liquidated damage provisions: California [Civil Code Section 1671], Indiana [1C 23-2-2.7-1(10)], Minnesota [Rule 2860.4400J], South Dakota [Civil Law 53-9-5]. State courts also restrict the imposition of liquidated damages. The imposition of liquidated damages is also restricted by fair practice laws, contract law, and state and federal court decisions."

5. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

6. RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

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

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

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

EXHIBIT D

FRANCHISEE AGREEMENT, INCLUDING OWNER'S GUARANTY

EXHIBIT [ ]

GOOD NEWS FRANCHISE, LLC

GOOD NEWS BREWING
FRANCHISE AGREEMENT

Location #________________

FRANCHISE AGREEMENT

SUMMARY PAGES

EFFECTIVE DATE:	______________________________
FRANCHISEE(S):	______________________________
ADDRESS FOR NOTICES:	______________________________ ______________________________
TELEPHONE NUMBER:	______________________________
E-MAIL ADDRESS:	______________________________
SITE SELECTION AREA:	______________________________
APPROVED LOCATION:	______________________________
INITIAL FRANCHISE FEE:	$___________
BRAND DEVELOPMENT FUND CONTRIBUTION:	Currently, 0.5% of Gross Sales. Amount is subject to change, but not to exceed 4% of Gross Sales
GRAND OPENING ADVERTISING PROMOTION SPEND:	$5,000
ROYALTY FEE:	6% of Gross Sales
TRANSFER FEE:	$1,500 for a transfer of less than a controlling stake of ownership. 50% of initial franchise fee stated in the then-current franchise agreement for a single location on transfer to another Good News Brewing franchisee. 75% of initial franchise fee stated in the then-current franchise agreement for a single location on transfer to a non-franchisee.
SCHEDULED EXPIRATION DATE:	On the 10th anniversary from the Effective Date.
FRANCHISOR'S ADDRESS FOR NOTICE:	Good News Franchise, LLC 3 Pewter Court O'Fallon, MO 6336 ATTN: Dan Tripp

________________ Franchisor Initial

________________ Franchisee Initial

GOOD NEWS FRANCHISE, LLC

FRANCHISE AGREEMENT

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Exhibits

GOOD NEWS FRANCHISE, LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this "**Agreement**") is made and entered into at O'Fallon, Missouri on ______________________, 20_____ (**"Effective Date"**), by and between Good News Franchise, LLC, a Missouri limited liability company (hereinafter referred to as **"Franchisor"**), and ________________________________ (hereinafter referred to as **"Franchisee"**), whose principal business address is ____.

Recitals

A. Franchisor has developed and owns a concept and distinctive system for the design, decor, establishment, operation, and image of a brewery restaurant operating under the Proprietary Marks (specified below) and the names Good News Brewing Company, or Good News Brewery and Pizza or Good News Brewing and Wood-Fired Pizza, all under the System (as defined below) and utilizing certain Trade Secrets.

B. Franchisee desires to establish and operate a Good News Brewing and Wood-Fired Pizza franchised brewery (**"Franchised Business"**) under the System and wishes to obtain a franchise license from Franchisor for that purpose.

C. Franchisee recognizes the benefits to be derived from being identified with and franchised to use the System and Franchisee understands and acknowledges the importance of operating the Franchised Business in strict conformity with Franchisor's System, including all required standards and specifications that are a part of the System, in order to enhance public acceptance of, and demand for, all Good News Brewing locations (collectively "**Good News Breweries**," and individually a "**Good News Brewery**").

D. Franchisor is relying upon the business skill, financial capacity, and character of Franchisee and its principals, and the guarantee of Franchisee's obligations by its principals, if applicable, as attached to this Agreement.

NOW, THEREFORE, in consideration of the foregoing and of the promises contained in this Agreement, the parties agree as follows:

Article 1. Acknowledgments and Representations.

1.1 Franchisee acknowledges and represents to Franchisor, in order to induce Franchisor to enter into this Agreement, the following:

A. Franchisee has read this Agreement and Franchisor's franchise disclosure document and understands and accepts the terms, conditions, and covenants contained in this Agreement as being reasonably necessary to maintain with sufficient uniformity Franchisor's standards of quality and service at each Good News Brewery in order to protect and preserve the goodwill of the Proprietary Marks.

B. Franchisee has conducted an independent investigation of the business to be operated under this Agreement. Franchisee recognizes that the nature of Good News Breweries may evolve and change over time; that an investment in a Good News Brewery involves business risks which have been considered by Franchisee; and that the success of the venture depends primarily upon Franchisee's business ability and efforts.

C. Franchisee has not received or relied upon any guarantee, expressed or implied, about the revenues, profits, or success of the business venture contemplated by this Agreement.

D. No representations have been made by Franchisor, its affiliates, or by their respective members, managers, officers, employees, directors, and/or agents, that are contrary to or not contained in the terms contained in this Agreement, and Franchisee has not relied on any such representations.

E. In all of their dealings with Franchisee, the members, managers, officers, employees, directors, and/or agents of Franchisor have acted only in a representative capacity, not in an individual capacity, and that this Agreement and all business dealings between Franchisee and such individuals as a result of this Agreement are solely between Franchisee and Franchisor.

F. That Franchisee understands that Franchisor is relying on the information submitted to it by Franchisee in Franchisee's application to become a Good News Brewing franchisee and that all information contained in the application is true, correct, and complete, and Franchisee has made no incorrect statement in the application or failed to make any statement that would be necessary to make the representations in the application not misleading.

1.2 Some of the definitions applicable throughout this Agreement are set forth below:

A. **"Affiliate"** means, with respect to a person or legal entity, a person or legal entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such person.

B. **"Agreement"** has the meaning set forth in the introductory paragraph hereof.

C. **"Alternative Products & Services"** has the meaning set forth in Article 8.1.D.

D. **"Alternative Suppliers"** has the meaning set forth in Article 8.1.D.

E. **"Approved Location"** means the street address set forth on **Exhibit A** hereto.

F. **"Approved Products & Services"** has the meaning set forth in Article 8.1.C.

G. **"Approved Suppliers"** has the meaning set forth in Article 8.1.C.

H. **"Brand Development Fund"** means the Brand Development Fund provided for in Article 9.4.

I. **"Brand Development Fund Contribution"** means the required contribution to the Brand Development Fund described in Article 4.1.C.

J. **"Change in Control"** means (i) the acquisition of the beneficial ownership of, or ownership interest in, Franchisee representing a Controlling Interest in Franchisee, directly or indirectly, in one transaction or a series of related transactions, by any person or affiliated group, (ii) any merger or consolidation of Franchisee other than a merger or consolidation where a Controlling Interest in the surviving entity or the acquiring entity, as the case may be, shall be received by and/or held by those that were holders of a Controlling Interest in Franchisee immediately prior to such transaction, or (iii) the sale, transfer, license or other disposition (in one transaction or a series of related transactions) of all or substantially all of the assets of Franchisee.

K. **"Commencement of Construction"** or **"Commence Construction"** means the date that the construction of the Franchised Business begins at the Approved Location.

L. **"Competing Business"** means any restaurant that makes a majority of its revenue from pizza, any brew pub, or any bar that makes more than half of its alcohol sales revenue from the sale of craft beer.

M. **"Construction Completion"** has the meaning set forth in Article 5.4.

N. **"Controlling Interest"** means more than 50% of the voting interest in an entity, or such other ownership or voting interest that allows the holder thereof to control significant decisions in such entity.

O. **"Dispute"** or **"Disputes**" has the meaning set forth in Article 19.1.

P. **"Effective Date"** has the meaning set forth in the introductory paragraph hereof.

Q. **"FF&E"** means fixtures, equipment, furnishings, furniture, telephone system, computer systems, reservation system, signs, supplies and other items used in the operation of the Franchised Business.

R. **"Franchised Business"** means the Good News Brewery franchised to, and developed and operated by, Franchisee pursuant to this Agreement. The Franchised Business comprises all structures, facilities, appurtenances, FF&E, and entry, exit, parking and other areas located on, or that are part of, the site of the Approved Location, as well as all real property rights possessed by Franchisee.

S. **"Franchisee"** has the meaning set forth in the introductory paragraph of this Agreement.

T. **"Franchised Interests"** has the meaning set forth in Article 13.2.

U. **"Franchisor"** has the meaning set forth in the introductory paragraph of this Agreement.

V. **"Gross Sales"** means revenues attributable to or derived from the operation of the Franchised Business, wherever the revenue is derived, including, but not limited to, from the sale of food and other goods at the Franchised Business, or by delivery, revenue for venue rentals and event catering at the Franchised Business or event catering or other types of sales at locations other than the Approved Location, whether or not conducted in compliance with this Agreement, and however paid including by barter, redemption of gift cards and credit transactions (before commissions and discounts for credit cards), whether or not collected; proceeds from any business interruption insurance or other loss of income insurance applicable to loss of revenues due to the non-availability of units, and proceeds for guaranteed no-show revenue which is collected; but excluding sales taxes, or any other taxes collected by Franchisee from customers for transmittal to appropriate taxing authorities; tips collected by Franchisee for distribution to its employees; bona fide refunds to customers; and income from the sale of gift cards and revenue derived from the redemption of rewards points by customers pursuant to any rewards or loyalty program established by, or approved by, Franchisor. Gross Sales shall be accounted for in accordance with the accounting procedures set forth in the Manual from time to time.

W. **"Incapacitated"** or **"Incapacity"** means, in the reasonable opinion of Franchisor, the inability of Franchisee, or its majority owner if Franchisee is an entity, to operate the Franchised Business in the ordinary course of business for 30 days or more in any consecutive 90-day period.

X. **"Indemnitees"** means collectively Franchisor and its members, shareholders, other equity owners, its affiliated companies, and each of their respective owners, managers, agents, representatives, officers, directors, employees, partners, and other Affiliates.

Y. **"Initial Franchise Fee"** means the fee due upon execution and delivery of this Agreement as provided in Article 4.

Z. **"IP Owner"** means Good News Brewing, LLC, a Missouri limited liability company.

AA. **"Liquidated Damages"** means the damages to be paid by Franchisee pursuant to Article 15.12 for premature termination of this Agreement.

BB. **"Manual"** means, collectively, the Operations Manual and other System standards, manuals, and directions (whether in written, machine readable, electronic, or any other form), as they may be modified, amended or supplemented by Franchisor in its sole discretion, setting out the standards, methods, procedures, techniques and specifications regarding the operation of the Franchised Business.

CC. "**Materially Modified**" means any modification that would (a) change the size or dimensions of any public areas, or amenities of the Franchised Business, (b) affect the appearance or design of any portion of the Franchised Business or the quality of the materials used therein, or (c) constitute a departure from the concept, standards or approved products or services of the System.

DD. **"Non-Traditional Venue"** means any non-foodservice businesses of any sort within which a Good News Brewery is established and operated, including, for example, hotels and resorts (where the Good News Brewery is enclosed within the confines of the hotel's or resort's structure); airports and other travel facilities; federal, state, or local government facilities (including military bases); theme and amusement parks; recreational facilities; colleges and other academic facilities; shopping malls; theaters; train stations; toll roads; hospitals; casinos; department stores; supermarkets; gasoline convenience stores; and sporting event arenas and centers.

EE. **"Online Presence"** means the Website, or any other websites, social media accounts, mobile applications, or other media or online presence (in any form and in any medium existing as of the Effective Date or later developed) relating to the Franchised Business, the System, any Good News Brewery, or utilizing the Proprietary Marks, including any individual franchisee's online presence as permitted or required by Franchisor. Franchisor will determine the content and use of all Online Presence including establishing any rules and guidelines under which Franchisee will participate in such Online Presence, which may be modified by Franchisor from time to time.

FF. **"Opening"** means the date on which the Franchised Business first opens for business.

GG. **"Operations Data"** has the meaning set forth in Article 10.6.

HH. **"Payment"** or **"Payments"** has the meaning set forth in Article 4.2.

II. **"Good News Brewery"** and **"Good News Breweries"** have the meanings set forth in Paragraph C of the Recitals.

JJ. **"Products"** or **"Product"** means any product Franchisor authorizes to be offered and sold through the Franchised Business.

KK. **"Proprietary Marks"** means the name "Good News Brewing Company" and such names, trade names, service marks, trademarks, logos, emblems, or other indication of origin as are designated by Franchisor as part of the System as of the Effective Date or any time thereafter.

LL. **"Protected Territory"** means the specific territory or territories franchised to Franchisee and described in Exhibit C.

MM. **"Quality Audit Review Fee"** has the meaning set forth in Article 8.3.

NN. **"Royalty Fee"** means the continuing royalty fee set forth in Article 4.1.B.

OO. **"System"** means the method of operating a brewery and pizzeria specializing in the preparation and service of wood-fired pizza, craft beer, pretzels, salads, starters and non-alcoholic beverages and/or other items now, or later designated by Franchisor, in a family-friendly environment intended to attract and encourage community creation and engagement all under the Proprietary Marks consisting of distinctive food and beverage products prepared according to special and confidential recipes and formulas, with unique storage, preparation, service and delivery procedures and techniques, offered in a setting of distinctive exterior and interior layouts, designs and color schemes, signage, furnishings and materials and using certain types facilities, equipment, supplies, ingredients, business forms, training materials, sales techniques, methods and procedures, technology, trade secrets and the Manual relating to the operation and promotion of a Good News Brewery, which Franchisor or its Affiliates may modify and change from time to time.

PP. **"Systems Operations Data"** has the meaning set forth in Article 10.6.

QQ. **"Term"** has the meaning set forth, in part, in Article 3.1 and, in part, in Article 3.3.

RR. **“Trade Secrets”** means confidential information, including, without limitation, (i) the recipes, ingredients, proprietary products, formulas, guest and supplier lists, product specifications of Franchisor or its Affiliate, (ii) methods of service and operations at Good News Breweries, (iii) knowledge of sales and profit performance at any one or more Good News Breweries, (iv) knowledge of Franchisor’s or its Affiliate’s test programs, concepts, or results relating to operating, new advertising and promotional programs, (v) sources of suppliers of products, ingredients, and equipment used in the System, (vi) the System’s advertising, promotion, and marketing techniques, (vii) methods and information regarding the selection and training of managers and other employees for Good News Breweries; and (viii) the Manual.

SS. **“Transfer by Franchisee”** means the voluntary, involuntary, direct or indirect assignment, sale, gift, or other transfer of any Franchised Interest, including, without limitation, the following events: (i) the transfer of ownership of the stock or partnership or limited liability company ownership interest of Franchisee; (ii) any merger, reorganization, consolidation, or issuance of additional securities representing a direct or indirect ownership interest in Franchisee or the Franchised Business; (iii) any sale of a Controlling Interest in Franchisee in a single transaction or a related series of transactions; (iv) any transfer of a Franchised Interest by declaration, division, or otherwise in a divorce, insolvency, corporate or partnership dissolution proceeding or otherwise by operation of law; (v) any transfer of a Franchised Interest resulting from the Franchisee’s death or the death of one of its owners with a Controlling Interest, whether by will, declaration of or transfer in trust, or under the laws of intestate succession; (vi) any change in ownership or control of any or all of the Franchised Interest by sale, gift, assignment, or otherwise; (vii) any change in the trustees or the beneficial owners of the trust if Franchisee or any owner with a Controlling Interest is a trust; or (viii) a pledge, hypothecation, or encumbrance of any Franchised Interest intended as security for an obligation.

TT. **“Website”** means the Franchisor’s home pages and any other internet and web pages or sites established by Franchisor or its Affiliate, including any individual franchisee webpages on such Website permitted or required by Franchisor, and any Online Presence established by Franchisor or its Affiliates for the sale of Products.

Article 2. Grant of Franchise License.

2.1 **Grant.** Subject to the terms and conditions of this Agreement, and subject to Franchisee’s continuous compliance with the terms and conditions of this Agreement, Franchisor hereby grants to Franchisee the nonexclusive right to operate the Franchised Business in accordance with Franchisor’s standards and specifications, including the operational standards procedures and techniques set out in the Manual, and to use the System (as it may be changed, improved, and further developed by Franchisor) and the Proprietary Marks in connection therewith. Franchisee enters into this Agreement for the sole purpose of accepting the grant and performing the obligations on which it is conditioned each of which are set out in this Agreement.

2.2 **Approved Location.** Franchisee shall operate the Franchised Business from, and only from, the Approved Location specified on **Exhibit A**. If Franchisee’s site application has not been approved at the time this Agreement is executed, Franchisee shall identify an Approved Location within the Site Selection Area identified on the Cover Page of this Agreement pursuant to the provisions of Article 5, and, once an Approved Location has been unconditionally approved by Franchisor, **Exhibit A** shall be automatically amended to list the Approved Location.

2.3 TERRITORY PROVISION

A. **Protected Territory.** Provided Franchisee is in full compliance with the terms and conditions of this Agreement, during the Term Franchisor will not, without Franchisee's consent, operate on its own, or through an Affiliate, or grant a license or franchise to, or otherwise authorize, any other person or entity to establish, a Good News Brewery using the Proprietary Marks within Franchisee's Protected Territory which is set forth in **Exhibit C**, attached hereto. The Protected Territory excludes Non-Traditional Venues, regardless of the proximity of such Non-Traditional Venues to the Approved Location, or the impact thereof on the Franchised Business. If Franchisee is not in compliance with the terms and conditions of this Agreement, Franchisor shall be free to operate, directly or indirectly, or to authorize or license another person or entity to operate, additional Good News Breweries within the Protected Territory. If Franchisee's site application has not been approved at the time this Agreement is executed, the minimum size of the Protected Territory is set out in **Exhibit C**. Once an Approved Location has been unconditionally approved by Franchisor, Franchisor, in its discretion, determine and set out in **Exhibit C,** the specific boundaries of the Protected Territory and **Exhibit C** shall be automatically amended to reflect those boundaries.

B. **Product Sales.** Franchisee may offer and sell Products only: (a) from the Franchised Business; (b) in accordance with the requirements of this Agreement and the procedures set forth in the Manual; and (c) to retail customers for personal consumption at the Approved Location, carry-out consumption, or, if expressly permitted, through delivery and/or catering services. Franchisee agrees not to offer or sell Products through any means other than those provided above without Franchisor's prior written approval. For example, Franchisee agrees not to offer or sell Products from satellite locations, other retailers' locations, temporary locations, carts or kiosks, or by use of catalogs, any Online Presence, or any other digital format or print media without Franchisor's prior written approval. Franchisee agrees not to sell Products to retail establishments for re-sale without Franchisor's prior written consent.

C. **Catering and Third-Party Delivery.** As of the Effective Date, Franchisee is not permitted to offer catering services to customers, or delivery either on its own or through any third-party delivery service or similar business. If permitted, Franchisee agrees to conduct all catering and delivery activities, including third-party delivery activities, in accordance with the procedures that Franchisor may specify in the Manual or otherwise in writing. Franchisee agrees that the revenue from those orders will be included in the definition of, and the Franchised Business' calculation of its, Gross Sales.

2.4 **Franchisor's Reserved Rights.** Franchisee agrees that Franchisor, Franchisor's owners and Franchisor's subsidiaries and Affiliates are not restricted from using the System or engaging in or licensing any business activity including Good News Breweries or any other restaurant at any other location, except as otherwise set forth in this Article 2. Except as otherwise expressly provided in this Agreement, Franchisor and all of its Affiliates (and its and their respective successors and assigns, by purchase, merger, consolidation or otherwise) retain all of its and their rights with respect to the Proprietary Marks and the System anywhere in the world, and the right to engage in any business whatsoever, including the right to:

A. operate, and grant to others the right to operate Good News Breweries outside the Protected Territory at such locations and on such terms and conditions as they deem appropriate;

B. develop, merchandise, offer, sell, and license others to sell products, including Products, or services under the Proprietary Marks through other channels and methods of distribution including wholesale, retail stores, grocery stores, online, print catalogues, direct marketing media and any other outlets, and promote and sell products bearing the Proprietary Marks at special events, athletic contests, through temporary locations and mobile units; and

C. acquire, be acquired by, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not), including with restaurants located anywhere or conducting business anywhere. These transactions may include arrangements involving competing businesses or outlets, dual branding or brand conversions; and

D. sell themselves, their assets, the Proprietary Marks, their systems and/or the System to a third party; go public; engage in a private placement of some or all of their securities; merge, acquire other corporations or entities, or be acquired by another corporation or entity; and/or undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring.

2.5 **No Claims for Changes.** With regard to any of the transactions identified in Article 2.4, Franchisee and its Owners expressly and specifically waive any claims, demands or damages arising from or related to changes to Franchisor's name, the Proprietary Marks (or any variation thereof), the System. If Franchisor assigns its rights in this Agreement, nothing will be deemed to require Franchisor to remain in the restaurant business or to offer or sell any products or services to Franchisee.

2.6 **Replacement Site.** Should a proposed location submitted by Franchisee to Franchisor pursuant to the process set out in Article V below not be approved by Franchisor, or acquired by Franchisee, Franchisee may submit a replacement site application and pay a non-refundable fee to Franchisor in an amount that Franchisor designates in the Manual intended to cover the costs and expenses associated with the review of the alternative proposed site, including, but not limited to expenses for travel to and from such site. Franchisee will have no more than 60 days from the date that Franchisor rejected the previously proposed site, or that Franchisee first communicated to Franchisor its intention to abandon acquisition or development of the previously approved site to submit a replacement site application. Failure to do so may result in the termination of this Agreement and/or the loss of Franchisee's right to develop a Good News Brewery in the Site Selection Area. Franchisor shall have 60 days after receipt of the replacement site application, and all other such information and materials required by Franchisor, to approve or disapprove the replacement site application for any reason. If a replacement site application is submitted, it will be subject to the same terms and conditions regarding site approval as stated in this Agreement, and will be approved or disapproved under the same terms and conditions as described herein. Franchisor shall have no obligation to consider more than 2 site applications under this Agreement.

2.7 **Relocation.** Franchisee may relocate the Franchised Business only with Franchisor's prior written consent. Franchisor will grant its consent if Franchisee's lease expires or terminates through no fault of Franchisee, or if the Approved Location is destroyed or materially damaged by fire, flood, or other natural catastrophe and cannot be repaired within the timeframes set under this Agreement and Franchisee is not in default under this Agreement or any other agreement between Franchisee and Franchisor. The Franchised Business must be open for business at the new location within one hundred eighty (180) days of the closing of the previous location. The selection of the new location, its construction, and opening is subject to the same provisions of this Agreement as the site selection, construction, and opening of the Franchised Business at the Approved Location. Franchisee is solely responsible for all relocation costs and expenses and shall pay Franchisor a fee equal to fifty percent (50%) of the then current initial franchise fee to reimburse Franchisor for its reasonable attorneys' fees and other costs and expenses incurred in relation to the relocation.

Article 3. Term

3.1 **Initial Term.** Unless sooner terminated or modified consistent with the terms of this Agreement, the term of this Agreement (the initial term and any successor term, if any, shall be collectively referred to as the "**Term**") shall be 10 years from the Effective Date and this Agreement will expire without notice on such date.

3.2 **Successor Agreement**. Franchisee may be granted successor franchise rights for three (3) consecutive five-year terms if, at the end of each term, all conditions required under the expiring franchise agreement, are satisfied. Franchisee may be granted successor franchise rights for the first five-year term if each of the following conditions have been satisfied:

A. Franchisee has notified Franchisor of its intent to renew at least twelve (12) months (but no more than eighteen (18) months) before the Term expires;

B. Franchisee is not in default of any material provision of this Agreement, and Franchisee has complied with the material terms and conditions of this Agreement throughout the Term;

C. all amounts owed to Franchisor and its Affiliates and all third-party suppliers of the Franchised Business have been paid;

D. the Location and Franchised Business have been renovated and refurbished so that it is consistent with Franchisor's then-current standards for image, trade dress, equipment, and furnishings;

E. Franchisee has the right to remain in possession of the Approved Location for the duration of the successor term, or has secured substitute premises that Franchisor has approved consistent with the terms of this Agreement;

F. Franchisee executes Franchisor's then current form of successor franchise agreement;

G. Franchisee pays a successor agreement fee of equal to the then-current successor agreement fee specified in the Manual; and

H. Franchisee and each person who has guaranteed Franchisee's obligations under this Agreement signs a general release in a form Franchisor prescribes.

3.3 **Hold-Over.** If Franchisee continues to operate the Franchised Business with Franchisor's express or implied consent following the expiration of the Term, the continuation will be deemed to be a month-to-month extension of this Agreement, unless otherwise set forth in writing. All provisions of this Agreement will apply while Franchisee continues to operate the Franchised Business and the term "Term" shall include such hold-over period. This Agreement will then be terminable by either party on 30 days' written notice to the other party, or such longer notice period as required by applicable law. For the avoidance of doubt, this provision does not apply in the case of Franchisee's continued operation of the Franchised Business after the Agreement has been terminated or after the Agreement expires and is not renewed and Franchisor does not consent to the continued operation.

Article 4. Fees and Royalties.

4.1 In consideration of the rights and license granted herein, Franchisee shall pay to Franchisor each of the following:

A. **Initial Franchise Fee.** Upon the execution and delivery of this Agreement by Franchisee, Franchisee shall pay the Initial Franchise Fee listed on the Summary Page of this Agreement. Franchisee acknowledges and agrees that such Initial Franchise Fee has been fully earned at the time it is paid, is nonrefundable and is paid in consideration of expenses incurred, rights granted, services rendered, and other valuable consideration, the receipt and sufficiency of which is acknowledged by Franchisee.

B. **Royalty Fee.** A continuing Royalty Fee of 6% of the Gross Sales earned by the Franchised Business during the Term.

C. **Brand Development Fund Contribution.** A contribution to the Brand Development Fund that will be equal to a percentage of Franchised Business' Gross Sales set by Franchisor from time to time in the Manual or otherwise in writing to Franchisee, but which shall not exceed 4% of Franchised Business' Gross Sales (**"Brand Development Fund Contribution"**). In lieu of charging Franchisee a Brand Development Fund Contribution, and independent of whether a Brand Development Fund has been established, Franchisor may, at its option, charge Franchisee a fee on a project basis for marketing and advertising materials and projects prepared or undertaken for use by the System.

D. **Technology Fee.** A Technology Fee for technology and IT support, provided by Franchisor, and/or for access to the intranet set up by Franchisor for all Good News Breweries, for set-up and maintenance of email addresses for the Franchised Business, for other technology that Franchisor makes available to Franchisee from time to time, and/or license fees Franchisor may incur for provision of the same (collectively "**Technology Services**"). Franchisor reserves the right to change the technology and/or support it provides at any time. As of the Effective Date the Technology Fee is $100 per month, but Franchisor has the authority to change the amount of the Technology Fee upon giving Franchisee written notice of the change if Franchisor's expenses in providing the Technology Services change, provided that any increase in the Technology Fee shall be limited to no more than 10% annually.

E. **Other Fees.** Such other fees that are set forth in other sections of this Agreement or are otherwise imposed pursuant to this Agreement. Such fees shall be due as set forth in Article 4.2 of this Agreement unless different payment terms are expressly stated for such fees at the time they are imposed or thereafter.

4.2 **Payment of Fees and Late Fees.** Unless payment terms to the contrary are expressly stated in this Agreement or otherwise, all payments due to Franchisor on a continuing basis, including those referenced in this Article 4 (collectively **"Payments"**), shall be due to Franchisor on or before the tenth (10th) day of each month (the "Due Date"). On each Due Date, the amount of each Payments calculated based on a percentage of Gross Sales will be calculated on the Gross Sales derived during the calendar month immediately preceding the Due Date. Notwithstanding the terms of this Article 4.2, Franchisor may, upon notice to Franchisee, collect such payments more or less frequently than monthly, and may establish a different Due Date to facilitate the change in frequency. If any Payment is not fully paid on the Due Date on which it is owed, Franchisee shall pay to Franchisor immediately upon demand the overdue amount together with a late charge on such amount from the date it was due until paid, at the rate of 1.5% per month, or the maximum rate permitted by law, whichever is less. The entitlement to such late charge shall be in addition to any other remedies Franchisor may have. In its sole discretion, Franchisor may collect Payments initiated by Franchisor using such payment technology as is, or may become, available during the Term, and all Payments shall be made using the payment method indicated by Franchisor from time to time. Such methods may be, but are not limited to, a direct debit withdrawal initiated by Franchisor and withdrawn from a designated bank account of Franchisee's, Automated Clearing House (ACH), wire transfer, electronic funds transfer, or any other method. Franchisee will cooperate with Franchisor to facilitate Payments through such methods and channels as may be designated by Franchisor from time to time. Franchisee acknowledges that nothing contained in this Article 4 shall constitute: an agreement by Franchisor to accept Payments after the same are due; or a commitment by Franchisor to extend credit to, or otherwise finance Franchisee's operation of, the Franchised Business. Franchisee acknowledges that Franchisee's failure to pay all Payments when due shall constitute grounds for termination of this Agreement, as provided in Article 14 of this Agreement, notwithstanding the provisions of this Article.

4.3 **Prohibition on Royalties on Alcoholic Beverage Sales.** If applicable law (state or local) prohibits or restricts Franchisee's ability to pay (or Franchisor's ability to collect) Royalty Fees or other amounts based on Gross Sales derived from the sale of alcoholic beverages made by the Franchised Business, or if such law would require Franchisor be licensed to sell alcoholic beverages in that jurisdiction, or otherwise, then the parties will exclude revenue alcoholic beverage sales from Gross Sales and mutually agree on a substitute so as to provide the same basic economic effect of a Royalty Fee that includes revenue from alcoholic beverage sales.

Article 5. Site Selection, Construction and Opening.

5.1 **Site Application.** If Franchisor has not approved of Franchisee's Approved Location as of the Effective Date, and Franchisee has not yet submitted a site application for a proposed Approved Location as of the Effective Date, Franchisee must submit a site application with such information as Franchisor may require within 60 days of the Effective Date for review by Franchisor. Franchisee may not commence construction of the Franchised Business until Franchisor has unconditionally approved of the proposed site in writing. Franchisor has 60 days after all required information is received from Franchisee to approve or disapprove any proposed site. Franchisor may approve or disapprove any site in its sole discretion. Franchisee acknowledges that neither Franchisor's review of the proposed site nor any assistance that may be provided by Franchisor in the selection or development of the site, constitute a representation, warranty or guaranty by Franchisor regarding the potential financial success of the Franchised Business operated at that site, and Franchisee assumes all business and economic risks associated with selecting the site proposed to Franchisor.

5.2 **Pre-Construction Requirements.** Prior to commencing construction of the Franchised Business, Franchisee shall have completed or satisfied all of the following:

A. If Franchisee is obtaining the right to occupy the Approved Location by lease or installment land contract, Franchisee shall submit to Franchisor, prior to execution by Franchisee, a copy of the lease or installment land contract for the proposed site for Franchisor's review and approval. The proposed lease or installment land contract must not contain any provision that is inconsistent with or interferes with the performance of any provision of this Agreement and must either incorporate the document attached as **Exhibit H** to this Agreement, or include provisions (i) authorizing Franchisor to enter the premises and make any modifications necessary to protect the Proprietary Marks, (ii) granting to Franchisor the right (but not the duty) to assume the lease or installment land contract if Franchisee is in default under the terms and provisions of the lease or installment land contract and/or if this Agreement expires or is terminated, (iii) requiring concurrent notice from lessor or vendor to Franchisor of any default or termination, and (iv) in the case of a lease, providing for a term of at least 10 years, which lease or installment land contract, when approved by Franchisor, shall not thereafter be Materially Modified without the prior written consent of Franchisor. Franchisee must give Franchisor a copy of the executed lease within 10 days of signing it. Under no circumstances shall Franchisor have any obligation or liability under such lease or installment land contract.

B. Not less than 30 days prior to commencing construction of the Franchised Business, inform Franchisor by written notice of the name of the architect and the general contractor to be used for the construction of the Franchised Business, and such other information about the architect and general contractor as Franchisor may deem necessary.

C. Prior to preparation of the schematic design development documents for the building, if necessary, submit to Franchisor for approval preliminary site plans showing: (i) the dimensions of the site of the Approved Location; (ii) placement of the Franchised Business on the site; (iii) proposed drives, parking, and service areas; (v) proposed location of exterior signage including size, type, height, etc.; and (iv) such other information as may be reasonably required by Franchisor. The preliminary site plans, when approved by Franchisor, shall not thereafter be Materially Modified without the prior written consent of Franchisor.

D. Prior to the preparation of the final building plans and specifications, if necessary, submit to Franchisor for approval, the schematic design development documents for the building prepared by a registered architect or engineer in compliance with all applicable laws, regulations, ordinances, and Franchisor standards. The schematic design development documents, when approved by Franchisor, shall not thereafter be Materially Modified without the prior written consent of Franchisor.

E. After the schematic design development documents for the building, if any, have been approved by Franchisor, submit to Franchisor for approval, final building plans and specifications prepared by a registered architect or engineer in compliance with all applicable laws, regulations, ordinances and Franchisor standards. The plans and specifications, when approved by Franchisor, shall not thereafter be Materially Modified without the prior written consent of Franchisor.

F. Provide to Franchisor satisfactory evidence that all permits, licenses and certifications required for the lawful construction and operation of the Franchised Business at the Approved Location have been obtained, including, without limitation, all applicable building permits, zoning, access, sign and fire requirements.

G. Provide to Franchisor insurance certificates establishing that Franchisee has obtained insurance meeting or exceeding the minimum requirements set forth in Article 12 of this Agreement.

H. Such other information as Franchisor may reasonably request.

I. Provide evidence of execution of a contract for approved exterior signage with an approved vendor within sixty (60) days from the construction start date.

J. Submit to Franchisor, pursuant to Article 8.1.D., a request for approval of any alternate FF&E products, if any, including standards and specifications for such alternate FF&E, and prepared by a qualified professional if necessary or required by Franchisor, which, if approved by Franchisor, shall not be Materially Modified without the prior written consent of Franchisor. Unless alternate FF&E products are approved by Franchisor, Franchisee must use only such FF&E products that are specified by Franchisor in the Manual and other documents containing FF&E specifications current at the Commencement of Construction. Notwithstanding the foregoing, upon request, Franchisor may, in its discretion, alter FF&E requirements for the Franchised Business due to local market conditions, custom or practice. Franchisee agrees that Franchisor and its agents shall have the right (without, however, any duty or obligation to do so) to visit and inspect the construction of the Franchised Business at all reasonable times.

5.3 **Commencement of Construction.** Franchisee shall commence construction of the Franchised Business (i) within 240 days after the Effective Date, or (ii) within sixty (60) days of the date when a building permit for the Franchised Business is ready for issuance, whichever occurs earlier. A building permit shall be deemed ready for issuance at the point in time when the issuing authority has taken all steps necessary for issuance and would issue the building permit upon the payment of the fee therefor. In Franchisor's discretion, Franchisor may grant Franchisee up to four 30-day extensions of the deadline for Commencement of Construction. Any such extensions shall be granted only in Franchisor's sole discretion and upon payment of an extension fee. Franchisee shall pay Franchisor a fee of $2,500 at the time each extension is requested. If the extension is not granted, the fee will be refunded. Once commenced, construction work shall continue uninterrupted (except for interruption by events constituting force majeure) until it is completed. Except for the occurrence of any events constituting force majeure, construction work shall be completed and the Franchised Business shall be furnished, equipped, and otherwise be made ready to open in accordance with this Agreement not later than the date specified in Article 5.4. Franchisor shall have the sole right to determine whether the construction work has been completed in accordance with this Agreement, the approved plans, and the Manual.

5.4 **Construction Completion.** Franchisee shall diligently and continuously prosecute the construction, furnishing, and equipping of the Franchised Business (including its acquisition and installation of all FF&E, signs, supplies, and other items necessary for completion and Opening of the Franchised Business) in accordance with the plans previously approved by Franchisor and in accordance with the Manual. In any event the construction, furnishing, and equipping of the Franchised Business shall be completed within twelve (12) months after the Effective Date of this Agreement. Franchisee acknowledges and understands that time is of the essence in the construction and Opening of the Franchised Business, and except for the occurrence of any events constituting force majeure, the construction shall be completed and the Franchised Business shall be furnished, equipped, and otherwise be made ready Opening, and all governmental licenses and permits necessary to operate the Franchised Business under the System shall have been obtained by Franchisee, at the end of such twelve (12) month period

(**"Construction Completion"**). If Franchisee has met the opening requirements set forth in this Article 5 and has received a certificate of occupancy for a portion of the Franchised Business, Franchisee may have the Opening, and begin operating the Franchised Business, as long as Franchisee completes the construction, furnishing, and equipping of the balance of the Franchised Business within the time period set forth herein.

5.5 **Construction Inspections.** Franchisee agrees that Franchisor and its agents shall have the right (without, however, any duty or obligation) to visit and inspect the construction of the Franchised Business at all reasonable times.

5.6 **Review for System Compliance Only.** Franchisor's exercise of its rights to approve the plans and specifications and to inspect construction of the Franchised Business shall be solely for the purpose of assuring compliance with the System's standards and with the terms and conditions of this Agreement, and Franchisor shall have no liability or obligation to Franchisee or any other person with respect to construction of the Franchised Business.

5.7 **Opening Marketing Plan.** No later than one hundred twenty (120) days prior to the expected Opening of the Franchised Business, Franchisee shall submit to Franchisor, for its prior approval, Franchisee's grand opening marketing plan if requested to do so by Franchisor, and shall make such revisions to the plan as required by Franchisor.

5.8 **Opening of Franchised Business.** The Opening of the Franchised Business shall be immediately upon satisfaction of all of the following requirements:

A. All FF&E required for the Opening of the Franchised Business in accordance with this Agreement and the System's standards shall have been installed and ready for use.

B. Franchisee and Franchisee's manager for the Franchised Business shall each have completed a training program approved by or conducted by Franchisor, to Franchisor's satisfaction, and Franchisee shall have engaged sufficient qualified personnel to operate the Franchised Business.

C. Franchisee shall have paid all sums due Franchisor and its Affiliates.

D. Franchisee shall not be in default under this Agreement, or any existing Franchise Agreement or other agreement with Franchisor or any of its Affiliates.

E. Franchisor shall be satisfied as to Franchisee's compliance with the requirements necessary for the Opening by such on-site, virtual or other type of inspection and investigation as Franchisor deems appropriate. If Franchisee fails to pass its initial pre-opening inspection, Franchisor reserves the right to charge and collect a re-inspection fee plus reimbursement for all expenses it incurs for each additional inspection Franchisor conducts prior to giving Franchisee its approval to open, or terminating this Agreement. The re-inspection fee and related expenses shall be due and payable within thirty (30) days of receipt of an invoice therefor, or Franchisor may, in its discretion, collect payment thereof using the payment method designated by Franchisor for the collection of Payments. Nothing under this Article shall in any manner relieve Franchisee of the obligation of complying with the requirements of the approved plans or the other terms of this Agreement.

The Opening of the Franchised Business may not occur until the above requirements have been satisfied to Franchisor's satisfaction.

The System will be applied to all Good News Breweries, except that Franchisor in its business judgment may make exceptions based on local conditions, special circumstances or different contractual provisions.

5.9 **Development and Construction Expenses.** Franchisee acknowledges and understands that Franchisee shall bear the entire cost of the development and construction of the Franchised Business, including, without limitation, all costs related to design, engineering, and other professional services, contractors, financing, licenses, permits, equipment, furnishings, and supplies.

Article 6. Duties of Franchisor.

6.1 In addition to the other obligations and duties set forth in this Agreement, Franchisor agrees to the following:

A. **Provide Site Selection Criteria.** Franchisor shall provide general site selection criteria, provide guidance in the selection of a site that meets its criteria and review the proposed lease for the Approved Location. Franchisee acknowledges and agrees that by providing its site selection criteria, lease review, and guidance Franchisor will not create any reliance or expectation damages or liability for Franchisor, and such activities will not create any expectation of, or representation to, Franchisee that any proposed site will be accepted by Franchisor.

B. **Provide Prototype Plans.** Franchisor shall provide to Franchisee a set of then-current prototype plans and specifications (not to be used for construction) as determined by Franchisor for a typical Good News Brewery. These plans must be adapted to Franchisee's site by the appropriate licensed architects consistent with the terms of this Agreement.

C. **Consultation.** Upon reasonable request, or to the extent deemed appropriate and necessary by Franchisor, Franchisor shall consult with and advise Franchisee at Franchisor's home office, or by means of remote communication (including telephone, email, and video conferences), concerning the construction and operation of the Franchised Business. Such advice shall include, but not be limited, to guidance regarding inventory management, information collection and organization, and preparing reports regarding the performance of the Franchised Business.

D. **Access to Manual.** Franchisor shall provide Franchisee access to the Manual for the Term in a format determined by Franchisor, such as via the intranet, or loaning one hard copy of the Manual to Franchisee, or in any such other format as Franchisor determines to be most appropriate. The Manual and any additions or modifications may be provided in printed, machine readable, electronic, or any other form chosen by Franchisor. The Manual shall set forth the System's standards of operation, quality, cleanliness, and service which will be applicable to the Franchised Business. Franchisor shall have the right to add to and otherwise modify the Manual to reflect changes in the System including, Products or authorized services (or specifications therefor), FF&E requirements, quality standards, and operating procedures as determined by Franchisor. Franchisee shall be notified of such additions or modifications through various types of communications by Franchisor, including policy statements, memoranda, bulletins, directives, instructions, content added to an intranet, electronic communications, or other material prepared by or on behalf of Franchisor and communicated to Franchisee.

E. **Training.** Franchisor shall make available to Franchisee, and Franchisee's manager, such required and optional training courses, programs, conferences, seminars, and materials as Franchisor deems appropriate. All training shall be conducted at such physical or virtual locations and at such times as Franchisor may designate and shall be consistent with the terms and conditions set forth in this Agreement.

F. **Opening Assistance.** Franchisor will send one representative to provide on-site assistance at the Franchised Business for a period of two to three days immediately prior to and on the day of the Opening.

G. **Inspections.** Franchisor shall endeavor to maintain high standards of quality, cleanliness, appearance, and service for the System, and to that end shall conduct inspections of the Franchised Business, evaluations of the services rendered therein, and interviews of employees, agents, and customers of the Franchised Business, all as Franchisor deems advisable and appropriate.

H. **Secret Shoppers.** Franchisor has the right to have "secret shoppers" inspect the Franchised Business from time to time in order to help evaluate Franchisee's compliance with the terms of this Agreement.

I. **Good News Locations Directory.** Franchisor will make available in electronic and/or printed format to all Good News Breweries a Good News Location Directory subject to the terms and conditions of Article 9 of this Agreement.

6.2 **Obligations to Franchisee Only.** All of the obligations of Franchisor under this Agreement are owed to Franchisee only, and no other party is entitled to rely on, enforce, or obtain relief for breach of such obligations either directly or by subrogation.

6.3 **Delegation.** Franchisee acknowledges and agrees that Franchisor has the right to delegate the performance of any portion, or all, of its obligations under this Agreement to third parties, and exercise any of its rights under this Agreement through third parties, whether those third parties are Franchisor's agents or independent contractors with whom Franchisor has contracted to perform these obligations, as the Franchisor may direct. If Franchisor does so, such third parties will be obligated to perform all functions for Franchisee in compliance with this Agreement and/or a separate signed agreement between Franchisee and such third-party as approved by Franchisor.

Article 7. General Duties of Franchisee.

In addition to the other obligations and duties set forth in this Agreement, Franchisee agrees as follows:

7.1 **Construction.** Franchisee covenants and agrees to commence, diligently pursue, and complete construction of the Franchised Business and open for business in accordance with Article 5 of this Agreement.

7.2 **Initial Training.** Franchisee, or if Franchisee is an entity, at least one of its principal owners, and Franchisee's initial manager(s) shall complete Franchisor's initial training prior to Opening. Franchisee shall employ or retain qualified management personnel consistent with this Agreement and the Manual. The initial manager(s) shall complete their training prior to Opening. Franchisee shall train any subsequent manager and ensure they are prepared to operate the Franchised Business consistent with, and in compliance with, all of the System's standards, unless Franchisor requires a subsequent manager to complete Franchisor's training either at the time the manager is hired, or at any time during the manager's employment by Franchisee. If Franchisor requires a manager of Franchisee's to complete Franchisor's training, Franchisor shall have the right to charge Franchisee its then-current fee for additional training. Notwithstanding Franchisor's assistance in training Franchisee's manager(s), Franchisee is exclusively responsible for the terms of employment, compensation, scheduling, benefits, disciplining and all other personnel decisions respecting the Franchised Business' employees and acknowledge it will not receive any influence or advice from Franchisor in regard to these matters. Additionally, any persons working in the Franchised Business who are involved in food handling must pass and maintain the state-required food handling certifications required under applicable law for the tasks being performed by the person. Franchisor reserves the right to require, as a condition of providing training, that personnel employed or retained by Franchisee execute confidentiality agreements prepared by Franchisor.

7.3 **Franchisee Meetings.** Franchisee, or if Franchisee is an entity, one or more of Franchisee's principal owners, shall attend any franchisee conference when they are scheduled, and pay any non-refundable conference registration fee that may be designated by Franchisor. Franchisee conferences will not be held more than once a year.

7.4 **Ongoing Training and Assistance.** Franchisor may periodically make available other required or optional training courses to Franchisee, its owners and Franchisee's management-level personnel, as well as other programs, conferences, seminars, and materials, and Franchisee shall ensure that such personnel, as Franchisor may direct, satisfactorily complete any required training within the time specified by Franchisor. Franchisor may also offer Franchisee optional additional support and assistance relating to the operation of the Franchised Business. All training shall be provided at such locations as Franchisor may designate and Franchisee shall be responsible for any travel expenses and wages incurred by Franchisee, its owners and/or its employees in relation to any training. Franchisee will be charged reasonable tuition for training provided to Franchisee's and Franchisee's personnel after the initial training and such tuition shall be payable per the terms of the invoice sent therefor. Franchisee will also be charged a reasonable fee for any additional support and assistance requested by Franchisee beyond that offered by Franchisor. As of the Effective Date, Franchisor charges $250 per day, per trainer for additional training or for providing additional support and assistance beyond that offered by Franchisor. If the ongoing training is provided at your Franchised Business, Franchisor may also require Franchisee to reimburse it for any travel, or other, expenses its trainer incurs in providing the additional training. In addition, if Franchisor provides additional support and assistance, whether at the Franchised Business, or elsewhere, Franchisor may require Franchisee to reimburse it for any expenses Franchisor or its representative incur in providing the additional support and assistance. Franchisor reserves the right to adjust this fee during the Term. Franchisor reserves the right to limit the availability of any optional training programs.

7.5 **Adherence to System Requirements.** Franchisee expressly acknowledges that adherence to each and every requirement of the System is reasonable, necessary, and essential to maintain the uniform image and favorable reputation of each Good News Location and the System and the success of Franchisor's franchise program, and that the purpose of these requirements is not to control the day-to-day operation of the Franchised

Business. Franchisee also acknowledges that the System is likely to develop and change during the Term due to changes in the market, customer preferences, available technology, the growth and development of the franchise system, and other reasons. Accordingly, Franchisee expressly agrees to comply with each and every requirement of the System during the Term as the System may be modified or supplemented by Franchisor in its sole discretion. Such modifications and supplements may relate to, without limitation: changes in the business, Products and authorized services; requirements for FF&E; the addition of new or different mandatory or optional programs and services; changes in quality standards and operating procedures; changes in computer system requirements or technology programs, and in the fees or charges associated with any such computer system modifications or supplementations; and any other changes reflected in the Manual. Franchisee at all times remains solely responsible for the operation of the Franchised Business and all activities occurring in the Franchised Business, including, but not limited to, the hiring, training, discipline, and staffing of the Franchised Business.

7.6 **Quality of Service.** Franchisee shall provide efficient, courteous, and high-quality service to the public and shall operate the Franchised Business pursuant to the mandatory terms and provisions outlined in the Manual except as otherwise permitted by Franchisor in writing. Franchisee shall cause the Franchised Business to honor all credit cards specified by Franchisor and enter into such credit card arrangements with the issuers of such cards as may be necessary. Franchisee will not sell any product which is adulterated, contaminated, spoiled, unsafe or otherwise unfit for human consumption. Franchisee must keep the Franchised Business clean and provide prompt and courteous service to customers. Franchisee agrees to, and will take all steps as are necessary to, ensure that all its employees treat each customer fairly and provide services in an honest, ethical and non-discriminatory manner.

7.7 **Staffing.** Franchisee or its principal owner, will maintain sole responsibility for the supervision and operation of the Franchised Business in compliance with this Agreement and the Manual. Franchisee must hire at least one manager to oversee the day-to-day operation of the Franchised Business at all times when Franchisee, or its principal owner, is not present. Franchisee will maintain a competent, conscientious and trained staff. Franchisee will be solely responsible for all employment decisions and functions of the Franchised Business, including those related to hiring, firing, training, supervising and disciplining employees; wage and hour requirements; and record-keeping. Solely for the purpose of maintaining the uniform image and favorable reputation of each Good News Location and the System, and the success of Franchisor's franchise program, personnel employed by Franchisee shall maintain such standards of sanitation and cleanliness as set forth in the Manual or specified in writing by Franchisor from time to time. None of Franchisee's employees will be considered to be Franchisor's employees and Franchisee will never contend otherwise. Franchisee expressly agrees that Franchisor does not have the direct or indirect power to hire, fire or control any of Franchisee's employees, and will never contend otherwise. Neither Franchisee nor any of its employees whose compensation Franchisee pays may in anyway, directly or indirectly, expressly or by implication, be construed to be Franchisor's employees for any purpose, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings levied or fixed by any city, state or federal governmental agency. Franchisee expressly agrees that Franchisor's authority under this Agreement does not directly or indirectly vest in Franchisor the power to hire, fire or control any of Franchisee's employees, and will never contend otherwise.

7.8 **Authorized Items.** Franchisee must offer and sell all food and beverage items, and other Products, that Franchisor requires, and only those food and beverage items, and other Products that Franchisor has approved. Franchisor may add, eliminate and change authorized food and beverage items, and other Products, in its sole discretion, and Franchisee must comply with all directives regarding these changes, which may require purchasing and installing additional equipment. Franchisee shall prepare, package, and serve all menu items in accordance with Franchisor's recipes, standards and procedures for preparation, presentation and service as communicated to Franchisee from time to time via the Manual or other written directives. Such standards and procedures may include, without limitation, following recipes (including use of prescribed ingredients and prescribed measures of ingredients), use of containers and paper goods bearing the Proprietary Marks, packaging procedures, product holding times and other standards for displaying for sale menu items and other merchandise. If Franchisee wishes to offer and sell different menu items through the Franchised Business than the Products otherwise approved by Franchisor, Franchisee must submit a request to Franchisor, which Franchisor may approve or deny in its sole discretion. Franchisee acknowledges that it has not right to offer or sell Products other than those approved by Franchisor, and that Franchisor has no obligation to approve of Franchisee selling Products other than those Franchisor has designated as approved for sale in some or all Good News Locations. If Franchisee offers any menu items or other Products that are not approved by Franchisor for the Franchised Business, Franchisee will pay Franchisor a fee of $250/day that such unauthorized menu items are offered for sale at the Franchised Business. Franchisee shall participate in all market research programs that Franchisor requires, which may include test-marketing new products, purchasing a reasonable quantity of new products for test-marketing, and promoting the sale of the new products which, during the time period of the test-marketing program will be considered Products. Franchisee shall provide Franchisor with timely reports and test results for all such programs.

7.9 **Gift Cards and Loyalty Programs.** Franchisor may require that Franchisee, if permitted by applicable law, participate in a gift card or other customer loyalty program in accordance with the provisions either set forth in the Manual or otherwise communicated to Franchisee in writing. In order to participate, Franchisee may be required to purchase additional equipment and pay any fees applicable to the use of that equipment. If Franchisor establishes a gift card or loyalty program, it has the right to determine how the amount of the gift cards or loyalty cards will be divided or otherwise accounted for, and Franchisor reserves the right to retain the amount of any unredeemed gift cards.

7.10 **Third-Party Delivery Services.** Franchisee may only utilize third-party delivery services (*e.g.* Uber Eats, Grubhub, DoorDash or other services developed after the Effective Date) with Franchisor's prior, written authorization. Franchisee acknowledges that if Franchisor approves Franchisee's use of third party delivery services, Franchisor may condition when, and how, Franchisee uses those services to deliver Products or require that Franchisor approve the terms of Franchisee's agreement with the delivery service. In addition, Franchisor reserves the right to require Franchisee to use a third party delivery service, or services, and if it does, Franchisor shall have the right to dictate the terms that Franchisee must agree to when engaging that service, or those services.

7.11 **Use of Approved Location.** Franchisee shall use the Approved Location solely for the operation of the Franchised Business and shall not use or allow the use of the Approved Location for any other purpose or activity (including, without limitation, the promotion of any other business) at any time without the prior written consent of Franchisor, which may be granted or withheld in Franchisor's sole discretion. Franchisee shall not sacrifice Gross Sales to further any other business activity.

7.12 **Maintenance.** The Franchised Business and everything located at or in the Approved Location shall be maintained by Franchisee in a clean, safe, orderly, and first-class condition, in accordance with the standards specified in the Manual and consistent with the image of a clean, sanitary, attractive, and efficiently operated restaurant and brewery. The Franchised Business shall be constructed, maintained, and operated in compliance with all applicable fire, safety, health, and sanitation laws, ordinances, and regulations and Franchisee shall maintain the highest health standards and ratings applicable to the Franchised Business and otherwise ensure the use of high moral and ethical standards by all those associated with the Franchised Business in connection with their involvement with the Franchised Business.

7.13 **Upkeep and Maintenance.** Franchisee shall perform such maintenance of the Franchised Business and/or the Approved Location as is required by Franchisor to maintain the condition, appearance, and efficient operation of the Franchised Business, including, without limitation, (a) continuous and thorough cleaning and sanitation of the interior and exterior of the Franchised Business and Approved Location, (b) interior and exterior repair of the Franchised Business and Approved Location, (c) maintenance of equipment at peak performance, (d) replacement of worn out or obsolete improvements, fixtures, furnishings, equipment, computer systems, software, and signs with approved improvements, FF&E, computer systems, software, and signs, and (e) periodic painting and decorating. As often as once every seven (7) years, at Franchisor's request, Franchisee shall upgrade the Franchised Business within the time specified by Franchisor at Franchisee's expense to conform the Franchised Business and/or the Approved Location to the building décor, appearance and presentation of the Proprietary Marks and trade dress consistent with Franchisor's standards and then-current public image, including, without limitation, making such structural changes, remodeling, redecoration and modifications to existing improvements as may be deemed necessary by Franchisor. The obligation to upgrade the Franchised Business shall only apply as long as those same upgrading requirements apply to a majority of Good News Locations operated by franchisees or by Franchisor or its Affiliates, or are necessary to bring the Franchised Business into compliance with requirements already adopted or being adopted by a majority of Good News Locations. Except as described above, Franchisee shall make no additions, alterations, or replacements to the Franchised Business or anything located in the Approved Location without the prior written consent of Franchisor.

7.14 **Compliance with Law.** Franchisee shall, at Franchisee's expense, comply with all federal, state, and local laws, rules, ordinances, and regulations, and shall timely obtain, and keep in force any and all required permits, certificates, licenses, and approvals necessary for the full and proper conduct of the Franchised Business throughout the Term.

7.15 **Notification of Legal Action.** Franchisee shall notify Franchisor in writing within five (5) days of the commencement of any action, suit, or proceeding, and of the issuance of any inquiry, subpoena, order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, arising out of, concerning, or which may affect the operation or financial condition of the Franchised Business, including, without limitation, any criminal action or proceeding brought by Franchisee against employees, customers, or other persons.

7.16 **Computer Systems.**

A. Franchisee shall purchase, use and maintain such computer hardware and software as required by Franchisor from time to time ("**Computer System**"), including such point of sales system, and all related hardware and software (**"POS System"**) as is specified in the Manual or otherwise by Franchisor in writing for use in connection with the Franchised Business. The POS System and the Computer System must be connected to the internet at all times (or other communications medium specified by Franchisor) for the purpose of implementing software, transmitting and receiving data, accessing the internet for ordering and maintaining the POS System. Franchisor may require Franchisee to upgrade the Computer System, including the POS System hardware and/or software, from time to time upon written notice. Franchisee shall accept gift cards, debit cards, credit cards, no contact payment options, such as mobile payment, and other non-cash systems existing as of the Effective Date or developed in the future to enable customers to purchase Products and any authorized services via such method, as specified by Franchisor, and shall obtain all necessary hardware and/or software used in connection with these systems. Franchisee must maintain, repair, upgrade and update the Computer System, including the POS System, as Franchisor may require from time to time.

B. Franchisee must implement all administrative, physical and technical safeguards necessary to protect any information that can be used to identify an individual, including without limitation names, addresses, telephone numbers, e-mail addresses, employee identification numbers, signatures, passwords, financial information, credit card information, biometric or health data, government-issued identification numbers and credit report information (**"Personal Information"**) in accordance with applicable laws and industry best practices. Without limiting the foregoing, Franchisee must comply with the Payment Card Industry Data Security Standard (commonly known as "PCI Compliance" or "PCI-DSS"), and any successor thereto. It is entirely Franchisee's responsibility (even if Franchisor provides Franchisee any assistance or guidance in that regard) to confirm that the safeguards Franchisee uses to protect Personal Information comply with all applicable laws and industry best practices related to the collection, access, use, storage, disposal and disclosure of Personal Information. If Franchisee becomes aware of a suspected or actual breach of security or unauthorized access involving Personal Information Franchisee will notify Franchisor immediately and specify the extent to which Personal Information was compromised or disclosed.

7.17 **Payment of Taxes.** Franchisee shall pay when due all taxes levied or assessed in connection with the possession, ownership, or operation of the Franchised Business and all taxes payable on royalties and other payments made to Franchisor or to any of its Affiliates, except the income taxes excluded below. In the event of any bona fide dispute respecting any tax assessed against Franchisee, the Franchised Business, any personal property located therein, or any payments due to Franchisor or any of its Affiliates, Franchisee may contest the validity or amount of the tax in accordance with the procedures of the taxing authority; provided, however, that Franchisee shall act with all due diligence and shall in no event permit a tax sale or seizure against the Franchised Business or any equipment, goods, or property located therein, or any impoundment of payments due to Franchisor. Franchisee must pay to Franchisor the amount of any state or local sales, use, gross receipts, or similar tax that Franchisor may be required to pay on payments which Franchisee makes to Franchisor under this Agreement, regardless of whether the state or local tax is imposed directly on Franchisor, is required to be withheld by Franchisee from amounts due to Franchisor under this Agreement, or is otherwise required to be collected by Franchisee from Franchisor. Franchisee's obligations under this Article shall not be reduced or offset by any type of claim, credit or deduction of any kind. This provision does not apply to income taxes or comparable taxes measured by income to which Franchisor or its Affiliates may be subject.

7.18 **Timely Payments.** Franchisee acknowledges that Franchisee's failure to make, or delay in making, prompt payment in accordance with the terms of any agreements, leases, invoices, or statements for the purchase or lease of FF&E, inventories, supplies, travel agent services, or other goods and services will be detrimental to the reputation of Franchisee, Franchisor, the System and other System franchisees. Franchisee shall timely pay when due all amounts owed by Franchisee in connection with the operation of the Franchised Business. In its sole discretion, Franchisor may collect all payments and amounts due or payable under this Article 7 by direct debit withdrawal from a bank account designated by Franchisee, and make the payments itself.

7.19 **Access to Data.** Franchisee will give Franchisor unimpeded administrative access to the POS System and all activities conducted through, and functions of, the POS System, or other aspects of the Computer System, for the purposes of evaluating the performance of the Franchised Business, determining compliance with this Agreement and allowing for audits and inspections of Franchisee's financial statements, reports and all other data pertaining to the Franchised Business, whether maintained by Franchisee or by third parties. Franchisee agrees that Franchisor has the right to dictate the manner and form of the access to the POS System that Franchisee must provide to Franchisor.

7.20 **Authority of Franchisee Representatives.** If Franchisee is at any time a corporation, limited liability company, partnership or other business entity, Franchisee agrees and represents that:

A. If Franchisee is a partnership, corporation or limited liability company as of the Effective Date, Franchisee has the authority to execute and deliver this Agreement and to perform its obligations hereunder and is duly organized or formed and validly existing in good standing under the laws of the state of its formation, incorporation or organization;

B. Franchisee's organizational documents or partnership agreement will at all times state that the issuance and transfer of the ownership interests of Franchisee are restricted by the terms and conditions of this Agreement, and all certificates and other documents representing an ownership interest in Franchisee will bear a legend referring to the restrictions of this Agreement in a form and using language satisfactory to Franchisor;

C. **Exhibit B** to this Agreement will at all times completely and accurately describe all of the direct and indirect owners of Franchisee and their beneficial ownership interests in Franchisee;

D. Franchisee and its owners will sign and deliver to Franchisor such revised **Exhibit B** as may be necessary to reflect any permitted changes in the information contained therein within five (5) days following the occurrence thereof and to furnish such other information about Franchisee's organization, formation or maintenance as Franchisor may request;

E. Franchisee shall furnish Franchisor with its articles or certificate of incorporation, bylaws, and partnership or limited liability documentation or similar organizational documents, and any other documents Franchisor may reasonably request, and any amendments thereto or restatements thereof;

F. All of Franchisee's beneficial owners shall execute the Owners Guaranty included with this Agreement. If any of Franchisee's beneficial owners are entities, both the beneficial owner and the individuals who ultimately own the interests in the beneficial owner must sign the Owners Guaranty.

7.21 **Condemnation of Approved Location.** If the Approved Location (or any of the premises on which the Franchised Business is located) is condemned or damaged by casualty, Franchisee agrees as follows:

A. Franchisee shall provide Franchisor with a copy of any notice of any proposed taking of the Approved Location or surrounding premises by eminent domain or condemnation within ten (10) days of receipt. Such notice shall be sent by Franchisee to Franchisor by overnight courier service. If the Approved Location is condemned or so taken or such a substantial portion of the Approved Location is condemned or so taken as to render impractical the continued operation of the Franchised Business in accordance with System and/or its standards, then in such event, (i) this Agreement shall terminate upon notice by Franchisor to Franchisee, and (ii) notwithstanding subsection (i), Franchisor shall be entitled to receive the payments due under Article 4 for as long as the Franchised Business remains open for business or for a period of 1 year from the date Franchisee notifies Franchisor of the condemnation, whichever is longer. If the Franchised Business ceases business operations prior to 1 year from the date Franchisor receives notice of the condemnation, Franchisor will be entitled to receive a payment from Franchisee for the balance of the one-year period based on the average Payments from the twelve (12) months prior to the Franchised Business ceasing business operations. If a non-substantial condemnation shall occur, then in such event, Franchisee shall promptly make whatever repairs and restoration may be necessary to make the Franchised Business conform substantially to its former character and appearance according to plans and specifications approved by Franchisor, and the resumption of normal operation of the Franchised Business shall not be unreasonably delayed by Franchisee.

B. If the Location is damaged or destroyed by fire or other casualty, Franchisee shall repair the damage without delay. If the casualty requires closing the Franchised Business, Franchisee shall (i) immediately notify Franchisor, (ii) commence reconstruction and repair as soon as practicable, but in any event within one hundred and eighty (180) days after the closing of the Franchised Business, (iii) repair or rebuild the Franchised Business so that it is consistent with the then-current System standards and specifications, and (iv) reopen the Franchised Business for continuous operations under the System as soon as practicable, but in any event within eighteen (18) months after closing the Franchised Business, provided that the Franchised Business may reopen only after Franchisee has received Franchisor's express written approval. Franchisee shall give Franchisor at least ninety (90) days advance written notice of the target date of reopening.

C. The closing of the Franchised Business due to condemnation or casualty shall not extend the Term.

7.22 **Use of Customer Data.** Franchisee acknowledges and agrees that, in addition to the rights granted Franchisor under Article 10.6 hereof, Franchisor may use the names of customers or guests of the Franchised Business for any purpose, and agrees that Franchisor may have access to Franchisee's sales and customer data base for that purpose.

7.23 **Website and Online Presence.** Franchisor has established the Website that provides information about the System and that facilitates online orders from all Good News Locations. Franchisor will have sole discretion and control over the Website, its content, functionality and continuation, and any other Online Presence. Franchisor may use the Brand Development Fund to pay or reimburse its costs associated with the development, maintenance and update of its Online Presence and Website. At Franchisee's expense, Franchisor will include a specific page for the Franchised Business' on the Website. Franchisor shall have the only Good

News Brewing website. Unless Franchisor permits otherwise, in writing, Franchisee may not have any individual website other than the page provided by Franchisor on the Website. Franchisor may require Franchisee to prepare all or a portion of the Franchised Business' page on the Website, at Franchisee's expense, using a template that Franchisor provides. All information on the Franchised Business' page will be subject to Franchisor's prior written approval. Except for this page, Franchisee may not maintain any Online Presence or other website in connection with the Franchised Business or in connection with Franchisee's ownership or operation of the Franchised Business without Franchisor's written consent. If Franchisee is permitted or required to have an Online Presence other than the page on the Website, such as, but not limited to, social media accounts, Franchisee must provide Franchisor with administrator-level access credentials, usernames, passwords, tokens and all other information and items required for complete access to, and control over, any such Online Presence including social media activities. If Franchisee fails to comply with the requirements established for its Online Presence, Franchisor, or its designees may use the access credentials to access Franchisee's accounts and resources to make them comply with Franchisor's requirements, without being guilty of trespass, conversion, infringement, or any similar tort. Franchisee will pay Franchisor, upon demand, all charges Franchisor incurs taking such corrective action.

7.24 **Inappropriate Online Presence or Content.** Franchisee acknowledges that Franchisor reserves the right to require Franchisee to remove any content in its Online Presence, including videos, advertising or other material or content that Franchisor, in its sole discretion, deems inappropriate or inconsistent with the Good News brand. Franchisor reserves the right to develop additional profiles or accounts for the brand and/or for the Franchised Business in its Online Presence on websites designated for social networking, social media sites, or on websites otherwise commonly used by restaurants or breweries or by the franchise industry in general. Franchisor may, in its sole discretion, require Franchisee to participate in its Online Presence by preparing and maintaining all or a portion of a profile or account for Franchisee, at Franchisee's expense.

7.25 **Intranet.** Franchisor intends to develop an Intranet network through which confidential brand standards and other materials may be posted for review and reference by franchisees and where Franchisor and its franchisees can communicate by e-mail, instant messaging, or similar electronic means. When Franchisor chooses to implement that Intranet network, Franchisee agrees to use the facilities of the Intranet in strict compliance with the standards, protocols and restrictions that Franchisor includes in the Manual (including, without limitation, standards, protocols and restrictions relating to the encryption of confidential information and prohibitions against the transmission of libelous, derogatory or defamatory statements).

7.26 **Additional Administrative Services.** If Franchisee requests, Franchisor or its Affiliates may provide additional administrative services to Franchisee, including, but not limited to: assistance with closings of financing transactions or other transactions relating to the Franchised Business; negotiations of comfort letters, non-disturbance agreements, and other instruments, documents and agreements with Franchisee's lenders or prospective lenders, lender's counsel, Franchisee's counsel, any other Franchisee representative, or third party; conducting research related to the Franchised Business and its operation; preparation of documents, instruments or agreements; and other project-based tasks. If any of these administrative services are provided, Franchisee agrees that Franchisor may charge a reasonable fee, as determined by Franchisor, for such services and to reimburse Franchisor and its Affiliates for any costs (including attorney's fees) incurred in connection with the provision of such services.

7.27 **Reimbursement.** Franchisee shall reimburse Franchisor for all costs and expenses (including attorneys' fees), incurred by Franchisor in connection with any legal action (including actions for injunctive relief, arbitration and mediation) in which Franchisee, one or more of its Affiliates, and/or their respective owners, directors, officers or managers is a named party, including but not limited to, reimbursement for costs and expenses incurred in connection with Franchisor's counsel entering an appearance, responding to discovery requests in such matters, and preparation by Franchisor and its counsel therefor.

7.28 **Co-branding.** Franchisor may determine from time to time to incorporate into the System programs, products or services which Franchisor either develops or otherwise obtains rights to, which are offered and sold under names, trademarks and/or service marks other than the Proprietary Marks and which Franchisee's Franchised Business, along with other businesses, will be required to offer and sell. This activity, referred to as "co-branding", may involve changes to the Proprietary Marks and may require Franchisee to make modifications to the FF&E, signs, and trade dress at the Franchised Business. Franchisee agrees to promptly implement such programs at the Franchised Business at the earliest commercially reasonable time and to execute any and all instruments required to do so.

Article 8. Quality Control and Supervision.

8.1 **System Conformity.** Franchisee agrees that substantial uniformity in quality and customer experience throughout the network of Good News Locations is necessary and desirable for the purposes of establishing and protecting the shared identity, reputation, and goodwill associated with the System and the Proprietary Marks. In order to better accomplish these objectives, Franchisee agrees that:

A. The Franchised Business shall be operated in strict conformity with such mandatory standards, specifications, methods, and techniques as Franchisor may prescribe in the Manual (as opposed to any best practices, recommendations or suggestions set forth in the Manual), and Franchisee shall refrain from deviating therefrom and from otherwise operating in any manner which adversely reflects on the System, the Proprietary Marks, the goodwill associated therewith, or Franchisor's rights therein. Franchisee is responsible for the day-to-day operation of the Franchised Business. While Franchisor intends to impose the System, and any changes and modifications thereto generally uniformly among all Good News Locations, absolute uniformity in all aspects under many varying conditions may not be possible or practical, and Franchisor specifically reserves the right and privilege, in its sole discretion and as it may deem to be in the best interests of the System in any specific instance, to vary the standards for any particular franchisee or region based upon the peculiarities of a particular territory, density of population, business potential, business practice, or other condition important to the successful operation of a particular Good News Location. Franchisor may grant variations from standard specifications and practices as Franchisor determines in its discretion, and Franchisor will have no obligation to grant Franchisee or any other franchisee like or similar variations. Franchisor's failure to require compliance with a standard from any particular franchisee will not affect Franchisee's obligations under this paragraph.

B. Franchisee shall, at Franchisee's expense, purchase or lease and install at the Franchised Business all FF&E, aspects of the Computer System, including the POS System, and other systems and technology programs specified by Franchisor. Without regard to the actual capabilities of any POS System or other components to the Computer System that Franchisee installs and that Franchisor has access to directly or indirectly, Franchisor does not have the right to use such technology or tools to direct or assert control over Franchisee's employees' working conditions, except to the extent the control relates to Franchisor's legitimate interest in protecting the quality of the System and the Good News Brewing brand or the Products or services offered at the Franchised Business. Franchisee shall refrain from installing at the Franchised Business, or permitting to be installed, without Franchisor's prior written consent, any FF&E, electronic or video games, or any other items or services not previously approved by Franchisor. The size, form, color scheme, content (except for prices or charges which are subject to Article 8.8 below), and location of all signs, advertisements and graphic materials displayed at the Franchised Business shall be as prescribed in the Manual or otherwise approved in writing by Franchisor. Notwithstanding the foregoing, Franchisor does not have the right to direct or assert control over Franchisee's employees' working conditions, except to the extent the control relates to Franchisor's legitimate interest in protecting the quality of the Good News Brewing brand or the Products or services offered by the Franchised Business.

C. Franchisee is required to purchase products, services, ingredients, supplies, FF&E items, and materials required for the construction and operation of the Franchised Business pursuant to specifications set forth in the Manual (**"Approved Products & Services"**). In some cases, Franchisee may be required to buy only specific Approved Products & Services. Franchisor may designate manufacturers, suppliers or distributors who meet Franchisor's specifications or are subject to Franchisor's specifications (**"Approved Suppliers"**) and if such Approved Suppliers have been designated as the only source for any Approved Products & Services, Franchisee agrees to only purchase such Approved Products & Services from the Approved Suppliers. In some cases, Franchisor or one of its Affiliates may be the only Approved Supplier. Specification of a supplier may be conditioned on various requirements, including, but not limited to, those relating to a supplier's quality and consistency of products, ingredients, and services, frequency of delivery, standards of services, prompt attention to complaints, and willingness to make payments, contributions, or other consideration paid to Franchisor, its Affiliates or the Brand Development Fund. Franchisor may, from time to time withhold, condition and/or revoke Franchisor's approval of particular items or suppliers in Franchisor's reasonable discretion, and Franchisor's approvals may be temporary. Franchisor or its Affiliates may receive marketing allowances, rebates, commissions, and other benefits from suppliers in relation to items purchased by Franchisee and other franchisees and Good News Locations. Such marketing allowances, rebates, commissions, and other benefits are based on System-wide purchases. Franchisee assigns to Franchisor or its designee all right, title and interest in any such marketing allowances, rebates, commissions, and other benefits and authorizes Franchisor or its designee to collect and retain any such allowances without restriction (unless otherwise instructed by the supplier). Franchisor's current policy is to utilize such funds for purposes Franchisor believes may enhance the System and public awareness of the System. Franchisor has the right to condition or revoke Franchisee's right to participate in any supplier programs if Franchisee is in default under this Agreement.

D. Franchisee may propose alternative manufacturers, suppliers or distributors (**"Alternative Suppliers"**) of Approved Products & Services, as well as alternative products, ingredients, services, supplies, materials and FF&E items to Approved Products & Services (**"Alternative Products & Services"**). If Franchisee would like to use Alternative Suppliers, or Alternative Products & Services, Franchisee must first request in writing that Franchisor approve the alternate. Franchisee must submit whatever information, specifications, or samples Franchisor requires and must pay to Franchisor a fee of $500 per product or service when the request is submitted. If Franchisor's costs for the review and testing of the Alternative Products & Services, or reviewing the Alternative Supplier, exceed $500, then Franchisee must reimburse Franchisor for such additional cost per the terms of the invoice issued to Franchisee therefor. If, based on the review, Franchisor decides to approve the Alternative Products & Services, or Alternative Supplier, as the case may be, for all franchisees in the System, then Franchisor will reimburse Franchisee for the testing fee. Franchisor reserves the right to approve or disapprove proposed Alternative Products & Services or Alternative Suppliers, as the case may be, in its sole discretion. Franchisor will notify Franchisee within a reasonable time of its approval or rejection of the Alternate Products & Services or Alternative Supplier. Franchisor may revoke an approval previously given at any time in its discretion, upon notice to Franchisee. Notice will be given in a manner that Franchisor deems appropriate. Franchisor may require any Alternative Supplier proposed by Franchisee to sign a confidentiality agreement acceptable to Franchisor, and Franchisor may require that samples of or from the proposed Alternative Products & Services (or of Approved Products & Services requested to be purchased from an Alternative Supplier) be delivered to Franchisor for testing prior to approval and use. Further, all proposed Alternative Suppliers must agree to permit Franchisor's agents or representatives to inspect their facilities regularly, both initially and from time to time as may reasonably be required by Franchisor to assure Franchisor of the proper production, processing, packaging, storing and transportation of the products, ingredients, services, supplies or FF&E items and materials to be purchased by Franchisee, and with respect to Alternative Products & Services, that they comply with Franchisor's standards and requirements. The foregoing will not be construed as an attempt to unreasonably limit the sources from which Franchisee may procure products, ingredients, services, supplies and materials. Rather, it is Franchisor's intention that such items conform to Franchisor's strict standards and strict specifications to ensure quality, uniformity and reliability. Further, Franchisor will not be required to approve an inordinate number of Alternative Suppliers of a given item which in Franchisor's reasonable judgment would prevent Franchisor's effective supervision of suppliers. Notwithstanding the foregoing, Franchisor may designate certain Approved Products & Services as proprietary, and not permit Alternative Suppliers, or Alternative Products & Services for such items. Nothing in this Article requires Franchisors to disclose any Trade Secrets to any third party.

E. FRANCHISOR AND ITS AFFILIATES MAKE NO WARRANTY WITH RESPECT TO ANY PRODUCTS, SERVICES, FF&E ITEMS, SUPPLIES OR OTHER ITEMS IT APPROVES AND THEY EXPRESSLY DISCLAIM ALL WARRANTIES, EXPRESS AND IMPLIED, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO ANY SUCH PRODUCTS, EQUIPMENT (INCLUDING, WITHOUT LIMITATION, ANY REQUIRED COMPUTER SYSTEMS), SUPPLIES, OR OTHER APPROVED ITEMS.

8.2 **Compliance with the Manual.** The Franchised Business shall be conducted in accordance with the mandatory provisions contained in the Manual, as updated, supplemented, and modified from time to time. Franchisee further acknowledges that establishing, maintaining, and protecting the goodwill, reputation, and consistency of the System requires strict adherence to this Agreement and the required provisions of the Manual in all respects, it being agreed that every detail is significant and material. Franchisee shall at all times ensure that Franchisee's copy of the Manual is kept current and up-to-date, and in the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by Franchisor at Franchisor's home office shall be controlling. Franchisee shall maintain the Manual in a safe and secure location (including with appropriate password protection, if the Manual is kept electronically) and shall report the theft, loss or misuse of the Manual, or any portion thereof, immediately to Franchisor.

8.3 **Inspections.** Franchisee hereby grants to Franchisor, its Affiliates and their agents the right to enter upon the premises of the Franchised Business at any reasonable time for the purpose of conducting inspections. Franchisee shall cooperate fully with Franchisor's agents during the inspections, and take such steps as may be reasonably necessary to correct any deficiencies identified during such an inspection upon the written request of Franchisor or its agents within such reasonable time as may be specified therein. Franchisee shall provide all information requested by Franchisor for the purpose of Franchisor conducting customer satisfaction audits and surveys, and permit Franchisor and its agents access to test, sample, inspect and evaluate Franchisee's supplies, ingredients, and Products, as well as the storage, preparation, and formulation and conditions of sanitation and cleanliness in the storage, production, handling, and serving of Products. If Franchisor determines that any condition at the Franchised Business presents a threat to customers or public health and safety, Franchisor may take whatever measures it deems necessary, including requiring Franchisee to immediately close the Franchised Business until the situation is remedied to Franchisor's satisfaction. Franchisee shall pay a quarterly fee in an amount set by Franchisor to cover Franchisor's expenses in conducting the inspections or audits, which may include the hiring of a third party to perform the inspections or audit (**"Quality Audit Fee"**). Franchisee shall pay such Quality Audit Fee by the fifteenth (15th) day after the end of each calendar quarter unless such fifteenth (15th) day is a weekend or a holiday in which case Franchisee shall have until the first week day that is not a holiday following what would have been the due date. Franchisor may, in its sole discretion, collect any payments or amounts due or payable under this Article by direct debit withdrawal from a bank account designated by Franchisee, or such other method that Franchisor designates for collecting Payments under Article 4.

8.4 **Health Inspection Reports and Failure of Inspections.** Franchisee shall promptly provide Franchisor with a copy of any health or safety inspection performed on the Franchised Business. If Franchisee fails an inspection for any health or safety reason that Franchisor, in its discretion, deems to constitute a danger to the health or safety of the public, or employees at the Franchised Business, Franchisee shall, immediately upon Franchisor's request, take such action as required by Franchisor, including closing all or part of the Franchised Business, until the dangerous conditions have been remedied to Franchisor's satisfaction. Nothing in this Article 8.4 shall limit or restrict Franchisor's rights under Article 14, or any other Article of this Agreement.

8.5 **Franchisee Inventions.** If Franchisee or its Affiliates, owners, or employees develop any Products, services, procedures, or inventions, or improvements on Products, services, or procedures already part of the System, whether or not such developments are protectable intellectual property (**"Inventions"**), such Inventions must be promptly disclosed to Franchisor, and if deemed by Franchisor to be appropriate for use in the Franchised Business and other Good News Locations, such Inventions will be deemed to be Franchisor's sole and exclusive property, part of the System and works made-for-hire for Franchisor. To the extent any such Invention does not qualify as a work made-for-hire, it must be assigned to Franchisor. Franchisee agrees to take, or direct its Affiliates, owners, or employees, to take all necessary steps and action such assignment may require.

8.6 **Integrity in Promotion and Business.** All marketing and promotion by Franchisee shall be factual, ethical, and in good taste in the judgment of Franchisor and shall be subject to Franchisor's pre-approval as provided in Article 9.1 of this Agreement. In all dealings with its customers, suppliers, Franchisor, and the public, Franchisee shall adhere to the highest standards of honesty, integrity, fair dealing, and ethical conduct. Franchisee agrees to refrain from any business or advertising practice which, in the subjective opinion of Franchisor, may be injurious to the business of Franchisor and the goodwill associated with the Proprietary Marks and Good News Locations.

8.7 **Notification of Agency Reports.** Immediately upon receipt by Franchisee of any report from any health department or other comparable agency, Franchisee shall send a complete copy of such report to Franchisor by email or overnight courier service. Franchisee shall notify Franchisor in writing within five (5) days of the commencement of 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, which may adversely affect the operation or financial condition of Franchisee or the Franchised Business or of any notice of violation of any law, ordinance, or regulation relating to health or sanitation.

8.8 **Product Pricing and Discounts.** Franchisor and Franchisee recognize the value of pricing and marketing programs that facilitate the marketing of the System, the good will, reputation, and uniformity of the System and consumer acceptance and recognition of Good News Locations. Franchisee and Franchisor agree that, in order to better accomplish these objectives, Franchisor may from time to time in its sole judgment, to the extent permitted by applicable law (a) require prices to start at levels no higher than those determined by Franchisor and (b) otherwise establish rates and prices. Unless expressly permitted by Franchisor in prior writing, Franchisee will not offer coupons, discounts, gift cards, gift certificates, loyalty programs, or similar promotions.

Article 9. Advertising.

Franchisee and Franchisor recognize the value of advertising and the importance of consistency and standardization in the advertising programs used to further the goodwill and public image of the System. In order to better accomplish these objectives, the parties agree as follows:

9.1 **Conformance with System Standards.** All advertising, marketing, and sales materials used by Franchisee in any medium shall be conducted or used in such manner, and shall conform to such standards and requirements, as Franchisor may specify from time to time. Franchisee must submit to Franchisor for its prior written approval samples of all advertising, marketing, and sales plans and materials and all other materials displaying the Proprietary Marks that Franchisee desires to use which have not been prepared or previously approved by Franchisor; provided, however, that no such approval shall relieve Franchisee from complying with the requirements of Article 8.6 of this Agreement. Franchisee may not direct advertising to, or solicit customers in, areas outside of its Protected Territory without Franchisor's prior written approval, except that Franchisee may use methods of advertising that, incidentally, have circulation outside of the Protected Territory, but must confine such methods to the smallest area possible in and around the Protected Territory.

9.2 **Grand Opening Advertising**. Starting at least one month before the Opening, and continuing for 6 months thereafter, Franchisee shall spend at least the amount designated on the Cover Page for Grand Opening Advertising Promotion Spend to advertise, market and promote the Franchised Business and its opening. Upon request, Franchisee must submit its grand opening marketing plan to Franchisor for review, revision and approval. Franchisor may choose to conduct the grand opening advertising on Franchisee's behalf in which case Franchisor may require the Grand Opening Advertising Promotion Spend be paid to it to cover its costs. If Franchisee fails to spend the required minimum amount on Grand Opening

Advertising Promotion Spend, it will be required to pay the difference between what it paid for grand opening advertising and the minimum required amount either to Franchisor, who will then use it to conduct advertising for the Franchised Business, or to the Brand Development Fund. Franchisor will decide, in its sole discretion, whether Franchisee will pay the difference to the Franchisor or the Brand Development Fund.

9.3 **Advertising Requirements.** Throughout the Term, Franchisor may require Franchisee to spend a certain percentage of its Gross Sales, designated by Franchisor, on local marketing each month. The percentage of Gross Sales that Franchisor may require Franchisee to spend on local advertising will not exceed 1% of Franchisee's monthly Gross Sales. Franchisor may from time specify in the Manual the types of expenses that will be counted towards the required minimum spend. Franchisor may require you to pay some or all of the funds Franchisee is required to spend under this Article 9.3 to Franchisor if Franchisor, or an Approved Supplier arranged by Franchisor, is to provide the location marketing. Notwithstanding the foregoing, if Franchisee contributes funds towards an Advertising Cooperative, the funds actually contributed to the Advertising Cooperative by Franchisee will count toward the local advertising expenditures required by this Article for the same time period as for which the Advertising Cooperative contributions were made.

9.4 **Brand Development Fund.** Franchisor has established a Brand Development Fund (**"Brand Development Fund"**). The Brand Development Fund is and will be administered by Franchisor, provided that Franchisor may, in its sole discretion, consult with an Advisory Franchisee Council on matters relating to the Brand Development Fund if such a Council has been established by Franchisor. The Brand Development Fund may be used to pay any and all costs of researching, developing and preparing national, regional, point of sale, and local direct sales advertising and marketing strategy materials for use within the System, including, without limitation, costs associated with developing, preparing, directing, administering, maintaining, and disseminating advertising, marketing, promotional, and public relations materials; conducting marketing research and new product development; developing and preparing in-store promotions, point-of-sale advertising, menus and menu boards and other sales aids; maintaining a national sales and marketing staff and related expenses or hiring outside agencies; development, maintenance and updates of and to the Online Presence; developing and preparing joint promotional programs for all Franchisor brands; engaging in charitable, educational, or industry promotional activities; preparing, producing, broadcasting, and disseminating advertising and promotions, including, without limitation, radio, television, newspaper, magazine and Internet advertising, market surveys, public relations activities, and employment of advertising agencies. Franchisor shall choose and determine the nature, theme, and timing of any advertising and the kind and quality of advertising materials to be provided to franchisees by the Brand Development Fund. All contributions to the Fund, plus income earned therefrom, shall be used exclusively for the above-stated purposes, shall be maintained in an account separate from Franchisor's funds, and shall not be used to defray any of Franchisor's general operating expenses, except for reasonable salaries, administrative costs, travel expenses (including collections), overhead, and similar expenses Franchisor may incur through activities related to the administration of the Brand Development Fund and all costs of developing and preparing national, regional, point of sale, and local advertising materials for use within the System. Franchisor shall, for each of its company-owned or Affiliate-owned Good News Locations, make contributions to the Brand Development Fund at the same percentage of Gross Sales required of franchisees. Franchisor, or its designee, shall direct all advertising, marketing, and direct sales promotional programs and activities, with sole discretion over the concepts, materials, and media used in such programs and activities and the placement and allocation thereof. Franchisee acknowledges that the intent of the Brand

Development Fund shall be to maximize general public recognition, direct sales programs, and acceptance of the Proprietary Marks for the benefit of the System, and Franchisor shall have no obligation to make expenditures from the Brand Development Fund for Franchisee which are equivalent or proportionate to any contribution by Franchisee, or to ensure that any particular Franchisee or any particular Good News Location benefits directly or pro rata from advertising or promotion conducted under the Brand Development Fund. The Brand Development Fund is not a trust or escrow account, and Franchisor has no fiduciary obligation to franchisees with respect to the Brand Development Fund; provided, however, that Franchisor will make a good faith effort to expend such fees in a manner that Franchisor determines is in the general best interests of the System. In any fiscal year Franchisor may spend more or less than the aggregate contributions to the Brand Development Fund. Franchisor has the right to advance monies to the Brand Development Fund and subsequently obtain reimbursement of such advances out of Brand Development Fund. Except as expressly provided in this Article 9.4 Franchisor does not assume any direct or indirect liability to Franchisee with respect to the maintenance, direction, or administration of the Brand Development Fund.

A. **Advisory Franchisee Council.** If and when established by Franchisor, Franchisee and all franchisees of the System shall be members of the Advisory Franchisee Council. As long as this Agreement remains effective, Franchisee shall be a member of Advisory Franchisee Committee or such successor franchise advisory council as may be sanctioned by Franchisor to serve as an advisory council to Franchisor with respect to advertising, marketing, reservations, and other matters relating to Good News Locations. Franchisee shall pay to the Advisory Franchisee Committee all dues, assessments, and conference fees authorized by the Advisory Franchisee Committee and shall otherwise maintain its membership in the Advisory Franchisee Committee in good standing ("good standing" means the Advisory Franchisee Committee dues and assessments are current and Franchisee has not been given a notice of its default under this Agreement). Such fees shall be consistently applied to all franchisees in the System and Good News Locations owned by Franchisor or its Affiliates. As of the date of this Agreement the Council has not been established, so no dues have been authorized by the Advisory Franchisee Committee.

9.5 **Good News Location Directory.** Franchisee agrees to list the Franchised Business in the Good News Location Directory and to furnish to Franchisor such information as Franchisor or its designee may request for that purpose. Franchisee understands and acknowledges that the success and utility of the Good News Location Directory may require that it contain information concerning menu prices and special offers; that Franchisee shall have sole discretion in determining any menu prices and special offers for the Franchised Business which appears in each Good News Location Directory; and that Franchisor assumes no liability for, nor shall Franchisor be deemed liable by reason of, any failure by Franchisee or Franchisor's other franchisees to honor any Good News Location Directory prices for the period during which each Good News Location Directory is available to the public.

9.6 **Online Ordering.** If one is established or designated by Franchisor or one of its Affiliates, Franchisee shall participate in the Good News Brewing online ordering system, and shall observe all terms and conditions of participation in that system specified by Franchisor. Franchisee shall purchase, install, and maintain at the Franchised Business all equipment necessary for participation in the online ordering system required by Franchisor, including computer equipment and software and any future enhancements, additions, substitutions, or other modifications specified by Franchisor in the Manual or otherwise in writing. Franchisee shall also be responsible for other communication infrastructure charges for connecting Franchisee's online ordering equipment to the online ordering system and for the cost of supplies used in the operation of the equipment and for all other related expenses.

9.7 **Advertising Cooperative.** Franchisor has the right to establish and maintain local and regional advertising cooperatives for specific geographic areas (each an **"Advertising Cooperative"**). Each Advertising Cooperative will use the funds it receives only for the purposes set forth in this Agreement and shall operate pursuant to policies and procedures Franchisor establishes. All Good News Locations in the geographic area of the Advertising Cooperative will participate in the Advertising Cooperatives on the same basis. Franchisor will provide Franchisee written notice of the establishment of any Advertising Cooperative for any geographic area in which the Franchised Business is located, if and when an Advertising Cooperative for the geographic area is established. Franchisee may be required to contribute to the Advertising Cooperative, but such contribution will be offset against Franchisee's local advertising spending requirements. Franchisee will make those contributions either to Franchisor or directly to the Advertising Cooperative, as Franchisor directs from time to time.

Article 10. Financial Reporting.

10.1 **Maintenance of Books and Records.** Franchisee shall, in the manner and form specified by Franchisor, in the Manual or otherwise in a writing to Franchisee, prepare on a current basis (and preserve for at least five years from the date of preparation) complete and accurate books and records: using such charts of accounts as Franchisor may require; in accordance with generally accepted accounting principles concerning Gross Sales and all financial, operating, marketing, and other aspects of the Franchised Business; and maintain an accounting system that fully and accurately reflects all financial aspects of the Franchised Business and Franchisee. Such books and records shall include, but not be limited to, books of account, tax returns, governmental reports, daily and other periodic reports, and complete quarterly and annual financial statements (profit and loss statements, balance sheets, and cash flow statements). Franchisee's obligation to preserve such books and records for five years from the date of preparation shall survive the termination or expiration of this Agreement.

10.2 **Monthly Income Statement.** Unless Franchisor opts, in its discretion, to calculate the amount of fees owed for a given month by unilaterally accessing data generated by the POS System, on or before the 5th day of each month Franchisee shall submit to Franchisor an income statement for the prior month prepared in accordance with generally accepted accounting principles, in such form and detail as Franchisor may require, that will support the computation of all Payments then due under Article 4.1 of this Agreement for the prior month, provided that, if Payments will become due under this Agreement at a different frequency than monthly, upon notice to Franchisee, Franchisor may require reports be submitted at such frequency as to coincide with the frequency of the payment due dates. The statement shall include information from the preceding month regarding Gross Sales, other revenues, expenses, and such other information as Franchisor may require. Any report required to be submitted hereunder shall be submitted electronically, unless another format for submission is specified by Franchisor. In addition to having the right to change the frequency of the payment due dates, Franchisor shall have the right to change the day of the month that each report required under this Article 10.2 is due.

10.3 **Other Monthly, Quarterly or Annual Reports.** Unless excused by Franchisor, Franchisee shall submit to Franchisor, at Franchisee's expense, a full and complete reviewed financial statement in writing setting forth the Gross Sales and the computation of all amounts paid by Franchisee under Article 4.1 of this Agreement for each fiscal year. Such statement shall be submitted as soon as its available but not later than ninety (90) days after the end of Franchisee's fiscal year. Such statement shall be prepared in such format and according to such standards as specified by Franchisor, which may include being prepared in accordance with generally accepted accounting principles, consistently applied, and being accompanied by a report from an independent certified public accountant that the statement has been examined in accordance with generally accepted auditing standards. In addition, at Franchisor's request, Franchisee shall submit to Franchisor true copies of all state sales tax returns relating to sales made at the Franchised Business at the same time the returns are filed with state authorities, and such other records as Franchisor may reasonably request, including, without limitation, Franchisee's state and federal income tax returns. In addition, Franchisee shall prepare and submit to Franchisor a profit and loss statement for the Franchised Business for each calendar quarter by the 15th day following the end of each quarter. Franchisee acknowledges that Franchisor may require Franchisee to submit profit and loss statement's monthly and, if it does, it shall establish the due date by which such statements must be submitted.

10.4 **Audits and Inspections of the Records.** Franchisor or its representatives, at Franchisor's expense, shall at all reasonable times have the right to inspect or audit the books, accounts, records, returns, and statements of Franchisee on the premises of Franchisee, such other location where they are kept, or to have such records sent to a separate location designated by Franchisor. The foregoing records may include, but are not limited to, state and federal income tax returns, credit card or any other third-party charge account statements, and any bank, savings and loan, brokerage, or other financial checking, money market, or savings account used for the Franchised Business. Franchisee shall fully cooperate with Franchisor and its representatives or agents conducting such inspections or audits and, upon request, Franchisee shall submit a written response to any issues raised in connection with said audits. In the event a discrepancy between reported Gross Sales and actual Gross Sales is uncovered in any audit conducted for any reporting period (monthly, quarterly, or annually), Franchisee shall promptly pay the Payments determined to be owing and, if the actual Gross Sales exceed 2% of reported Gross Sales, Franchisee shall reimburse Franchisor for all costs of the audit, including the costs of travel, lodging, and wages of those conducting such audit. Franchisee shall also promptly reimburse Franchisor for the cost of any audit (including salaries, travel, and living expenses) necessitated by Franchisee's failure to file any financial report due hereunder and any deficiency in Payments disclosed by such audit. At Franchisor's option, Franchisee shall also immediately pay to Franchisor a late charge on the unpaid amounts calculated from the date such amount was due until paid at the lesser of 1.5% per month or the maximum rate permitted by applicable law. The foregoing remedies shall be in addition to any other remedies Franchisor may have under this Agreement or under applicable law. Submission by Franchisee of more than 2 reports of Gross Sales which under-report Gross Sales for any reporting period by 2% or more (regardless of any subsequent cure) shall constitute a material breach of this Agreement entitling Franchisor, at its option, the right to terminate this Agreement pursuant to Article 14.1.B. of this Agreement.

10.5 **Authorization of Financial Institutions and of Disclosure.** Franchisee hereby authorizes all banks and/or other financial institutions with which Franchisee does business to disclose to Franchisor any requested financial information in their possession relating to the Franchised Business. Franchisee further authorizes Franchisor to disclose such information to prospective franchisees and state regulatory agencies provided that such information is not identified as relating to the Franchised Business unless required by law or regulation and then only if Franchisor requests that such identification be held in confidence.

10.6 **Use of Operations Data.** Franchisee agrees that Franchisor or its Affiliates may disclose to third parties data concerning and relating, directly or indirectly, to Franchisee, the operations of Franchisee, and Franchisee's customers, including, but not limited to information about Gross Sales (**"Operations Data"**). Franchisee waives any right to notice of any disclosure of Operations Data. Franchisor agrees that it, or its affiliates, will from time to time disclose to Franchisee such operations data as it deems appropriate regarding other System franchisees (Operations Data combined with operations data of other franchisees, shall be referred to as **"System Operations Data"**). Franchisor may, in its sole discretion, determine when and what System Operations Data will be disclosed, and may, without prior notice to, or consent from Franchisee, change the scope of the Systems Operations Data being disclosed to Franchisee or when it is disclosed. Systems Operations Data disclosed to Franchisee is disclosed solely for Franchisee's internal business purposes and to enable Franchisee to compare the Franchise Business's results with those of other franchisees. The disclosed Operations Data and Systems Operations Data remains confidential information of Franchisor. Franchisee may not disclose Systems Operations Data to other franchisees of Franchisor, prospective franchisees of Franchisor, competitors of Franchisor, prospective purchasers of Franchisee or any of the Franchisee's assets, financial institutions, or any other third parties. The Systems Operations Data provided by Franchisor will be based on information provided to Franchisor by its franchisees. Such information may not be verified by Franchisor or any of its Affiliates. Franchisor has no obligation to correct disclosed Systems Operations Data if it learns that it was incorrect or incomplete, or to inform Franchisee thereof.

Article 11. Proprietary Marks and Trade Secrets; Competition.

11.1 **Ownership of Proprietary Marks and System.** Franchisor is either the owner or the licensee of all Proprietary Marks. Franchisee acknowledges that ownership of all right, title, and interest in the System and all parts thereof, including, without limitation, the Proprietary Marks and the design, decor, and image of all Good News Locations, is and shall remain vested solely in Franchisor and/or IP Owner. Franchisee expressly disclaims any right, title, or interest therein or in any goodwill derived therefrom.

11.2 **Franchisee's Use of Proprietary Marks and System.** The license granted hereby to use the Proprietary Marks is nonexclusive, and Franchisee agrees that such Proprietary Marks are and shall remain the property of IP Owner. Franchisee shall not contest their ownership or validity. Franchisee understands and agrees that the grant of the license to use the Proprietary Marks is conditioned upon Franchisee's agreement that: (a) the Proprietary Marks shall be used only in connection with the Franchised Business and only in the manner authorized by Franchisor; (b) Franchisee will not use the Proprietary Marks or parts thereof as part of its corporate or other legal name, will identify itself as a Franchisee, and will comply with all fictitious name and other statutes in connection with its use of the Proprietary Marks; (c) Franchisee will cooperate with Franchisor in protecting and defending the Proprietary Marks; and (d) Franchisee will comply with Franchisor's designations of additions, deletions, and changes in the Proprietary Marks. Franchisee's license to use the System, and any part thereof, is personal to Franchisee, and Franchisee shall not license, sublicense, or allow the System, or any part thereof, to be used by any other person, firm, or business association. All uses of the System by Franchisee inure to the benefit of Franchisor and/or IP Owner. Franchisee acknowledges and agrees that for purposes of protecting IP Owner's interest in the Proprietary Marks and the System, IP Owner is a third-party beneficiary to this Agreement.

11.3 **Changes to the Proprietary Marks.** Franchisor reserves the right, in its sole discretion, to designate one or more new, modified or replacement Proprietary Marks for

Franchisee's use and to require Franchisee's use of any such new, modified or replacement Proprietary Marks in addition to, or in lieu of, any previously designated Proprietary Marks. Franchisee must, at its expense, comply with any such designation within one hundred eighty (180) days following its receipt of Franchisor's written notice.

11.4 **Protection of Proprietary Marks and System.** Franchisee shall not, directly or indirectly, at any time during the Term or thereafter, do, cause, or suffer to be done any act or thing disputing, attacking, or in any way impairing or tending to impair the right, title, or interest of Franchisor or IP Owner (to the extent applicable) in the Proprietary Marks or the System. Franchisee shall immediately notify Franchisor in writing of all infringements or imitations of the Proprietary Marks of which Franchisee becomes aware, and Franchisor or IP Owner (to the extent applicable) shall exercise absolute discretion in deciding what action, if any, should be taken. Franchisee shall fully cooperate with Franchisor or IP Owner (to the extent applicable) in the prosecution of any action to prevent the infringement, imitation, or illegal use of the Proprietary Marks and agrees to be named as a party in any such action at Franchisor's request. Franchisor or IP Owner, as the case may be, shall bear any and all legal expenses incident to Franchisee's participation, at Franchisor's request, in any action to prevent the infringement or illegal use of the Proprietary Marks, except for the cost of any legal counsel separately retained by Franchisee. Except as expressly provided in this Article, Franchisor shall not be liable to Franchisee for any damages, costs, expenses, loss of profits or business opportunities, or incidental or consequential damages of any kind or nature whatsoever relating to any action involving the Proprietary Marks.

11.5 **Identification of Franchised Business.** Franchisee shall use the Proprietary Marks as the sole identification of the Franchised Business; provided, however, that in all public records and in its relationship with other persons, and on stationery, business forms, checks, or as otherwise required by Franchisor, Franchisee shall indicate Franchisee's independent ownership of the Franchised Business. Franchisee shall use language to identify the Franchised Business as being independently operated, such as "Independently owned and operated by [Franchisee] through a Franchise Agreement with Good News Franchise, LLC." or "This Good News Brewery is independently owned and operated by [Franchisee] through a Franchise Agreement with Good News Franchise, LLC." Franchisee shall file so-called assumed name or doing business certificates with local or state authorities, as required by applicable law, showing its independent ownership of the Franchised Business. In no event shall Franchisee use the Proprietary Marks in connection with the sale of any product or service not authorized for sale by the Franchised Business. Franchisee shall not license, sublicense, or allow the Proprietary Marks to be used by any other person or business entity without Franchisor's prior written approval. In adopting any corporate, proprietorship, or partnership name, Franchisee shall not use the Proprietary Marks or any variation or abbreviation thereof, or any words confusingly similar thereto. Franchisee has no right to register any of the Proprietary Marks and shall not register any Proprietary Mark, or any abbreviation, acronym, or variation of any Proprietary Mark with the U.S. Patent and Trademark Office, the Canadian Intellectual Location Office, or with state, provincial, or other authorities, or register any URL or other internet address including any Proprietary Mark, or any abbreviation, acronym, or variation of any Proprietary Mark. If it becomes advisable at any time in Franchisor's sole discretion for Franchisor and/or Franchisee to modify or discontinue use of the Proprietary Marks, and/or use one or more additional or substitute trade or service Proprietary Marks, Franchisee agrees to comply therewith within a reasonable time after written notice thereof by Franchisor.

11.6 **Trade Secrets.** Franchisee further acknowledges and agrees as follows:

A. Franchisor possesses certain Trade Secrets, including in general, recipes, methods, techniques, formats, specifications, programs, procedures, information systems, and knowledge used in the operation and franchising of Good News Locations and other restaurant concepts.

B. Franchisor will disclose the Trade Secrets to Franchisee in furnishing Franchisee with standard plans for the Franchised Business, the Manual and any other materials, by providing training to Franchisee, and in the performance of Franchisor's other obligations and the exercise of its other rights under this Agreement. Franchisee hereby agrees that all materials lent or otherwise made available to Franchisee by Franchisor and all disclosures made to Franchisee hereunder including, without limitation, the Manual and other confidential commercial information identified as such by Franchisor are Trade Secrets of Franchisor and shall be kept confidential and used by Franchisee only in the operation of the Franchised Business. Franchisee will not, nor permit anyone else to, reproduce, copy, access or exhibit any portion of the Manual or any other confidential or proprietary information received from Franchisor. Franchisee shall not divulge any Trade Secrets to any person other than Franchisee's employees and then only to the extent necessary for the operation of the Franchised Business.

C. Franchisee shall acquire no interest in the Trade Secrets, other than the right to utilize them in the development and operation of the Franchised Business during the Term. The duplication or use of the Trade Secrets in any other business will constitute an unfair method of competition. The Trade Secrets are proprietary and are disclosed to Franchisee in confidence and solely on the condition that Franchisee agrees, which Franchisee does, that Franchisee (i) will not use the Trade Secrets in any other business or capacity; (ii) will maintain the absolute confidentiality of the Trade Secrets during and after the Term; (iii) will not make unauthorized copies of any portions of the Trade Secrets disclosed in written form, including, without limitation, any recipes, plans, the Manual, bulletins, supplements, and additions thereto; and (iv) will operate and implement all reasonable procedures prescribed by Franchisor to prevent the unauthorized use and disclosure of the Trade Secrets. Franchisee shall immediately notify Franchisor of any unauthorized use of disclosure of the Manual or any of the Trade Secrets or if the Manual or any other materials containing any Trade Secrets are lost, stolen or misused.

D. The foregoing restrictions on Franchisee's disclosure and use of Trade Secrets shall not apply to information, processes, or techniques that are or become generally known and used by other similar concepts, other than through disclosure (whether deliberate or inadvertent) by Franchisee, and disclosure of Trade Secrets in judicial or administrative proceedings to the extent that Franchisee is legally compelled to disclose such information, provided Franchisee shall have used Franchisee's best efforts, and shall have afforded Franchisor the opportunity, to obtain an appropriate protective order or other assurances satisfactory to Franchisor of confidential treatment for the information required to be so disclosed.

11.7 **Owners and Others Covered by Article 11.** Unless the context otherwise requires, the term "Franchisee" as used in this Article 11 shall include, individually and collectively, all partners, officers, directors, and managers of Franchisee, and owners or holders, directly or indirectly (and any partners, officers, directors, and managers of any such holder), of a beneficial interest in Franchisee.

11.8 **Confidentiality Agreements.** At Franchisor's request, Franchisee shall require and obtain execution of a Confidentiality Agreement in a form acceptable to Franchisor, (including a Confidentiality Agreement applicable upon the termination of a person's relationship with Franchisee) from any or all of the following persons: (a) all officers, directors, and holders of a beneficial interest of (i) Franchisee and (ii) any corporation directly or indirectly controlling Franchisee, if Franchisee is a corporation; (b) the general partners and any limited partners (including any corporation or other entity, and the officers, directors, and holders of a beneficial interest of such corporation or other entity which controls, directly or indirectly, any general or limited partner), if Franchisee is a partnership; (c) the managers and members (including any corporation or other entity, and the officers, directors, and holders of a beneficial interest of any corporation or other entity which controls, directly or indirectly, any member or manager), if Franchisee is a limited liability company; and (d) all of Franchisee's employees that have access to any Trade Secrets. Failure by Franchisee to obtain execution of a Confidentiality Agreement required by this Article, or to deliver such Confidentiality Agreement to Franchisor, shall constitute a material breach of this Agreement.

11.9 **Manager Confidentiality Obligations.** Franchisee shall require every person employed as a manager of the Franchised Business to devote his or her full time to such employment and to agree in writing to be bound by the restrictions set forth in this Article. Franchisee shall also take all reasonable steps to require other employees that have access to the Trade Secrets to be bound by the confidentiality provisions of this Article. Upon Franchisor's request, Franchisee shall promptly provide copies of all such agreements to Franchisor.

11.10 **Proprietary Marks in Electronic Commerce.** All use of the Proprietary Marks in electronic commerce, which includes all forms of electronic or computer communication, and all Online Presence, must be approved by Franchisor and comply with the requirements set forth in the Manual. Franchisor may require that various types of marketing or advertising utilize a specific template or format. Franchisee must provide Franchisor with copies of all proposed applications for registrations of any of the Proprietary Marks or any variation thereof for use in and for electronic commerce, including Franchisee's website address, domain name and any other individual franchisee Online Presence. Franchisee must obtain Franchisor's prior written approval to file any such application, which Franchisor may withhold in its sole discretion. Upon expiration or termination of this Agreement, Franchisee agrees to transfer its website addresses and domain names, if any, to Franchisor upon Franchisor's written request. Franchisee will not receive any compensation for such transfer.

11.11 **Revisions of Article 11 and Injunctive Relief.** In the event any provision of this Article is deemed by a court of competent jurisdiction to be more restrictive than permissible at law or equity, then Franchisee agrees that the provision may be reformed, modified and enforced by such court to the maximum extent permissible under applicable law and principles of equity. Franchisee agrees that specific performance and injunctive relief are necessary and appropriate remedies for violations of this Article and agrees to the enforcement of such remedies, but without prejudice to the right of Franchisor to recover money damages, which are in no event a full and adequate remedy for such violations.

11.12 **Covenant Not to Compete.** Franchisee acknowledges the uniqueness of the System and that Franchisor is making its knowledge, know-how, and expertise available to Franchisee for the purpose of operating the Franchised Business only at the Approved Location in the Protected Territory. Franchisee agrees that it would be an unfair method of competition for Franchisee to duplicate, or to allow others to use or duplicate, any of Franchisor's confidential information knowledge, know-how, or expertise for any reason other than the operation of the Franchised Business under this Agreement or other restaurants under other agreements between Franchisee, or its Affiliate and Franchisor, or its Affiliate. Franchisee further recognizes the importance of devoting substantial time and energy to the Franchised Business. Therefore, Franchisee Agrees that:

A. During the Term, Franchisee shall not compete with Franchisor and/or the System by being associated directly or indirectly as an owner, shareholder, officer, director, employee, consultant, manager, or otherwise, in any Competing Business (except another Good News Location); provided, passive ownership of less than 5% of the outstanding voting securities of a publicly held corporation (which for purposes of this Agreement means a corporation registered under the Securities Exchange Act of 1934) shall not be deemed a violation of this Article.

B. For a period of two (2) years following a Transfer by Franchisee (by Franchisee or by an owner who has executed an Owner's Acknowledgement of this Agreement and/or an Owners Guaranty of this Agreement), or the expiration, nonrenewal or termination of this Agreement for any reason, Franchisee or the transferring owner shall not compete with Franchisor and/or the System by being associated directly or indirectly as an owner, shareholder, officer, director, employee, consultant, manager or otherwise, in any Competing Business (except a Good News Locations) anywhere in the Protected Territory or within a 25 mile radius from the Protected Territory or from any other Good News Location; provided, passive ownership of less than 5% of the outstanding voting securities of a publicly held corporation (which for purposes of this Agreement means a corporation registered under the Securities Exchange Act of 1934) shall not be deemed a violation of this Article. If Franchisee is in breach of this Article following a Transfer by Franchisee, or the expiration, nonrenewal or termination of this Agreement (including by continuing to operate the Franchised Business as a Good News Location after the Agreement has expired or terminated without Franchisor's consent), the period of duration for the obligation set forth herein will be tolled until the resolution of any enforcement action taken by Franchisor against Franchisee to enforce this Article. Franchisee covenants that it will not, for a period of two (2) years after the expiration, non-renewal or termination of this agreement, regardless of the cause of termination, or within two (2) years of the sale of the Franchised Business or any interest in Franchisee, solicit business from customers of the Franchised Business or from any national accounts, or contact any of Franchisor's or the System's suppliers or vendors for any competitive business purpose, or solicit any of the former Franchised Business' key or executive levels employees, or the key or executive-level employees of any franchised business operated by another franchisee, Franchisor or its Affiliates to discontinue employment.

Article 12. Insurance and Indemnity.

12.1 **Insurance.** During the Term, Franchisee shall comply with all insurance requirements of any lease, mortgage, or deed of trust covering the Approved Location or the Franchised Business as well as all insurance requirements of Franchisor as set forth in the Manual or as otherwise communicated by Franchisor from time to time. All insurance shall be procured at the earliest possible time that Franchisee has an insurable interest with respect thereto, but in no event later than the Opening, and shall be written by insurance companies with an A.M. Best rating of A-VI or greater. As of the Effective Date, at a minimum, Franchisor requires Franchisee to maintain the following:

i. Businessowners Property Coverage insurance on the Franchised Business with a Franchise endorsement, in an amount not less the full replacement cost of the Franchised Business. Such coverage shall also include the following:
   i. Disparagement of Reputation with a sublimit of no less than $13,000;
   ii. Equipment coverage for violation of ordinance or law with a sublimit of no less than $10,000;

iii. Coverage for the Loss of the Approved Location, Demolition of the Approved Location if damaged and for Reconstruction of the Approved Location, each with a sublimit of no less than $25,000;

iv. Coverages for outdoor signs/awning/tents/canopies with a sublimit of no less than $25,000;

v. Money and securities coverage with a sublimit of no less than $5,000;

vi. Employee dishonesty coverage with a sublimit of no less than $5,000;

vii. Spoilage coverage with a sublimit of no less than $10,000;

viii. Utility services coverage with a sublimit of no less than $10,000;

ix. Food contamination coverage with a sublimit of no less than $10,000 and coverage for additional advertising expense with a sublimit of no less than $3,000;

x. Electronic and data processing with a sublimit no less than $25,000 each occurrence;

xi. Business Income/Extra Expense coverage for loss of profits and necessary continuing expenses, including coverage for payments of royalty fees and contributions to the Brand Development Fund, for any interruption in Franchisee's business operations, as well as the cost of conducting a pre-opening review before reopening of the business in the event of closure for repairs or rebuild;

xii. If the Franchised Business is located in an "earthquake prone zone" as determined by the U.S. Geological Survey, earthquake coverage with a limit equal to the full replacement cost of the Franchised Business or with a sublimit no less than $*[such amount as agreed upon between Franchisor and Franchisee, or if not specified by the parties, as may be required by the Manual]*; and

xiii. If the Franchised Business is located in whole or in part within an area identified by the Federal Government as having a special flood hazard, flood coverage with a limit equal to the full replacement cost of the Franchised Business or with a sublimit no less than $*[such amount as agreed upon between Franchisor and Franchisee, or if not specified by the parties, as may be required by the Manual]*.

ii. Commercial General Liability (CGL) insurance with coverage for bodily injury, personal injury, property damage, contractual liability, products liability, written on the latest ISO CG 00 01 occurrence form or equivalent. The policy shall have minimum limits of (i) $1,000,000 each occurrence for bodily injury and property damage, (ii) $1,000,000 each occurrence for personal and advertising injury, (iii) $2,000,000 general aggregate, (iv) $1,000,000 each occurrence $2,000,000 in the aggregate in liquor liability and iv) $2,000,000 products-completed operations aggregate, $300,000 on rented premises and $10,000 med pay. The general aggregate limit shall apply separately to the Franchised Business.

iii. Workers' Compensation and Employer's Liability insurance for all employees that work at the Franchised Business, regardless of whether Franchisee is able to exempt itself under applicable state law from the Workers' Compensation requirement, or whether the employees are full-time, part-time, temporary, seasonal, leased, or borrowed. The Workers' Compensation coverage provided shall be in accordance with the laws of the state where the Franchised Business is located, and the Employer's Liability coverage shall have limits of $1,000,000 each accident for bodily injury by disease; $1,000,000 each employee for bodily injury by disease; and $1,000,000 policy limit for bodily injury by disease.

iv. Business Automobile Liability insurance covering all of Franchisee's owned, non-owned, and hired automobiles with a minimum combined single limit of $1,000,000 per accident for bodily injury and property damage.

v. Excess or Umbrella Liability insurance which provides excess coverage over the underlying CGL policy with minimum limits of $2,000,000 each occurrence and $2,000,000 general aggregate.

vi. Commercial Crime insurance for losses arising out of or in connection with any fraudulent or dishonest act committed by employees of Franchisee.

vii. During any construction work at the Franchised Business, Franchisee shall maintain or cause its general contractor or design-builder to maintain Builder's Risk insurance or equivalent property insurance to cover that portion of the work to be constructed, installed, altered, or repaired. Such coverage shall include the interests of Franchisor, Franchisee, any mortgagee, the general contractor or design-builder, any subcontractors, and any other party having an interest in the work. Franchisee shall also flow down the requirements of subparts (b) – (e) of this Article 12.1 to all contractors or design-builders performing such work, to the extent applicable.

12.2 **Waiver of Subrogation and Additional Insureds.** All policies of insurance specified herein shall contain a provision or endorsement whereby the insurers waive any rights of subrogation against the Indemnitees. The insurance policies required by subparts (i), (ii), (iv), (v) and (vi) of Article 12.1, shall name the Indemnitees as additional insureds and such policies shall apply on a primary and non-contributory basis to any insurance maintained by the Indemnitees. Upon execution of this Agreement, Franchisee shall deliver Certificates of Insurance to Franchisor evidencing Franchisee's compliance with the insurance requirements herein. An updated Certificate of Insurance shall be provided any time a policy required herein is renewed or a carrier is changed. Franchisee shall provide Franchisor with notice of cancellation of any insurance policy required herein promptly after receiving such notice from its respective insurance carrier(s). Franchisor shall have the option, at any time during the Term, to request and examine complete policies of insurance from Franchisee.

12.3 **Sufficiency of Insurance Not Guaranteed.** Franchisee acknowledges and understands that Franchisor makes no representation or warranty with respect to the adequacy or sufficiency of the insurance required under this Article, and that Franchisee shall have the sole responsibility to determine whether additional insurance or higher limits are needed to adequately cover the Franchised Business. Franchisee should consult with its own insurance agents, brokers, attorneys or other insurance advisors to determine the level of insurance protection it needs and desires, in addition to the coverage and limits required herein. Franchisor's review and verification of certain elements of the Franchisee's insurance does not in any way reduce or eliminate Franchisee's obligations to fully comply with all insurance requirements. It is Franchisee's sole obligation to fully comply with these insurance requirements and it is Franchisee's sole obligation to confirm with its insurance providers that its policies are adequate and in compliance.

12.4 **Franchisor's Right to Obtain Insurance.** If Franchisee does not obtain and maintain the insurance coverage required by this Agreement, as revised by the Manual or otherwise in writing, Franchisor may, but shall not be obligated to, procure such insurance. To compensate Franchisor for its expenses, the cost or expense thereof, together with a fee equal to 10% of the premiums due over the life of the policy, shall be payable by Franchisee immediately upon demand.

12.5 **Indemnity.** Franchisee shall release, defend, indemnify, and hold the Indemnitees harmless from and against any and all fines, damages, legal fees, costs, expenses, and other liabilities suffered or incurred by the Indemnitees by reason of any actual or threatened claim, demand, lawsuit, tax, penalty, investigation, or other proceeding (**"Claim"**) (even where Indemnitee's negligence or other wrongful conduct is alleged) arising directly or indirectly from, as a result of, or in connection with (a) any application submitted by Franchisee or its Affiliates to Franchisor, (b) the development, construction, operation, condition, use, occupancy, or sale of the Franchised Business, (c) any occurrence at or on the Franchised Business' premises, or any other place where the Franchised Business is operated, permanently or temporarily, (d) any environmental matters of any kind pertaining to the Franchised Business, (e) any breach of any terms or provisions of this Agreement by Franchisee, and/or (f) any offering of securities, units, or other ownership interests of Franchisee, including, without limitation, the violation of any federal and/or state securities laws. Notwithstanding the foregoing, Franchisor shall have the right, through counsel of its choice, to control the defense of any matter to the extent Franchisor reasonably determines that such matter may have a significantly adverse effect on any of the Indemnitees. Franchisee's indemnity obligations under this Agreement shall survive the expiration or other termination of this Agreement and shall be in addition to all other rights and remedies of Franchisor. Franchisee's obligations to indemnify Franchisor under this Article shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of its obligation to maintain insurance relieve Franchisee of liability under this indemnity provision or be construed to be a limitation on the amount of Franchisee's indemnity obligations. The right of the Indemnitees to indemnity under this Agreement shall arise notwithstanding that joint or concurrent liability may be imposed on the Indemnitees by statute, ordinance, regulation, or other law; provided, however, that Franchisee shall not be required to indemnify the Indemnitees from any Claim to the extent proven or agreed between the parties to have been caused by the sole or gross negligence or willful misconduct of the Indemnitee(s).

Article 13. Transfer of Interest or Management.

13.1 **Transfer by Franchisor.** Franchisor shall have the right to transfer or assign all or any part of this Agreement, or all or any of its rights or obligations herein to any person or legal entity and any assignee of Franchisor shall become solely responsible for all obligations of Franchisor under this Agreement from the date of assignment.

13.2 **Transfer by Franchisee.** This Agreement is not transferable by Franchisee except as permitted herein. The rights and duties set forth in this Agreement are personal to Franchisee and are granted in reliance on the individual and collective business skill, financial capacity, and personal character of Franchisee and its owners. Accordingly, neither this Agreement or the license granted hereunder, any part or all of any owner's direct or indirect ownership interest in Franchisee, the Franchised Business, nor a substantial portion of the Franchised Business' assets (collectively, the **"Franchised Interests"**), may be transferred by Franchisee without Franchisor's prior written approval, and then only in accordance with the provisions of this Agreement. Any purported Transfer by Franchisee, by operation of law or otherwise, which is not permitted hereunder, shall be null and void and shall constitute a material breach of this Agreement, for which Franchisor may then terminate this Agreement in accordance with Article 14.1.B. without opportunity to cure.

13.3 **Grant of Security Interests.** Franchisee shall grant no security interest, lien, mortgage, or deed of trust on any or all of the real estate or fixtures of the Franchised Business without the prior written consent of Franchisor and then only if the secured party, lien holder, mortgagee or beneficiary of the deed of trust provides Franchisor with a non-disturbance agreement or comfort letter as to such real estate and/or fixtures of the Franchised Business in form and substance reasonably acceptable to Franchisor.

13.4 **Assignment from Individual Franchisee to Entity.** In the event that Franchisee is an individual and proposes, subsequent to the execution of this Agreement, to assign this Agreement to a corporation, partnership, or limited liability company formed by Franchisee, Franchisor's consent to such assignment shall be conditioned upon satisfaction of and compliance with Article 7.20 of this Agreement and to the following additional requirements:

A. Franchisee shall be the owner of all of the voting stock, interests, or units of the corporation, partnership, or limited liability company; and, if Franchisee is more than 1 individual, each individual shall have the same proportionate ownership interest in the corporation, partnership, or limited liability company as he or she had in Franchisee prior to the assignment.

B. All transferors shall execute a written agreement personally guaranteeing the full payment and performance of Franchisee's obligations to Franchisor from the date of transfer and agreeing to be bound by all the terms and conditions of this Agreement.

13.5 **Right of First Refusal.** Any Transfer By Franchisee or transfer of any or all of the assets of Franchisee, which assets include this Agreement, except for an assignment made under Article 13.4, shall be subject to Franchisor's right of first refusal to such interest or assets (each a **"Right of First Refusal Transfer"**). Except in the event of an assignment pursuant to Article 13.4, if Franchisee or any of its owners receive a bona fide offer for the sale of any or all ownership interest in Franchisee or of any or all of the assets of Franchisee, which assets include this Agreement, they shall notify Franchisor of the offer. If the transfer is a Right of First Refusal Transfer, Franchisor shall have the right to exercise a right of first refusal and substitute itself for the proposed transferee in the transaction for a period of thirty (30) days after the notice is submitted together with all other information requested by Franchisor. If Franchisor declines to do so and there is any change in the terms and conditions of the proposed transaction or the proposed transferee, Franchisee shall promptly notify Franchisor, and Franchisor shall have the further right to exercise its right of first refusal over the revised transaction for another period of thirty (30) days. Should Franchisor exercise its right of first refusal, Franchisor shall have not less than an additional sixty (60) days to close the transaction, and Franchisor shall have the right to substitute cash for any alternative form of consideration contemplated by the proposed transaction. If Franchisor does not exercise its right of first refusal, Franchisee or the transferring owners may make a transfer on the terms and conditions of the offer considered by Franchisor, if Franchisee and its owners have complied with all of the provisions of this Article 13.

13.6 **Death or Incapacity.** Upon Franchisee's death or Incapacity, or, if Franchisee is a corporation, partnership, or limited liability company, upon the death of an owner of a Controlling Interest or upon the determination by Franchisor that the owner of a Controlling Interest is Incapacitated, Franchisee's or such owner's executor, administrator, conservator, guardian, or other legally appointed personal representative must transfer Franchisee's interest in this Agreement, or the owner's interest in Franchisee, to a third party. Such disposition of this Agreement or the interest in Franchisee of an owner of a Controlling Interest (including, without limitation, transfer by bequest or inheritance) must be completed within a reasonable time, not to exceed 1 year from the date of death or Incapacity, and will be subject to all of the terms and conditions applicable to Transfer by Franchisee contained in this Article 13. Upon such a death or Incapacitation, a failure to transfer Franchisee's interest in this Agreement or the interest of an owner of a Controlling Interest in Franchisee within this period of time constitutes a breach of this Agreement. Adequate provision must be made, in the sole discretion of Franchisor, for management of the Franchised Business during such period. Franchisee's interest in this Agreement or any owner's interest in Franchisee may, with Franchisor's consent, which will not be unreasonably withheld, be transferred to the decedent's spouse, parent, sibling, or direct descendant or to the spouse's direct descendant.

13.7 **Temporary Management in Case of Death or Incapacity.** Upon Franchisee's death or Incapacity, or upon the death or Incapacity of an owner of a Controlling Interest in Franchisee, Franchisee's or the owner's executor, administrator, conservator, guardian, or other legally appointed personal representative must within a reasonable time, not to exceed 30 days from the date of death or declaration of Incapacity, appoint an approved manager or management company to operate the Franchised Business. Such an approved manager or management company may be appointed only with Franchisor's prior written approval. The general manager or representative of the management company will be required to complete training at Franchisee's expense. Pending the appointment of an approved manager or management company as provided above or if, in Franchisor's judgment, the Franchised Business is not being managed properly at any time after Franchisee's death or declaration of Incapacity or after the death or declaration of Incapacity of an owner of a Controlling Interest in Franchisee, Franchisor has the right, but not the obligation, to appoint a manager or management company for the Franchised Business. All funds from the operation of the Franchised Business during the management by Franchisor's appointed general manager or management company will be kept in a separate account, and all expenses of the Franchised Business, including compensation, other costs, and travel and living expenses incurred by the general manager or management company, will be charged to this account. Franchisor also has the right to charge a reasonable management fee (in addition to the Payments) during the period that Franchisor's appointed general manager or management company manages the Franchised Business. Operation of the Franchised Business during any such period will be on the Franchisee's behalf, provided that Franchisor only has a duty to utilize commercially reasonable efforts and will not be liable to Franchisee or its owners for any debts, losses or expenses, or obligations incurred by the Franchised Business or to any creditors for any products, materials, supplies, or services the Franchised Business purchases during any period it is managed by Franchisor's appointed general manager or management company. The Franchisee and its guarantors will remain solely responsible for maintaining the Franchised Business during any period in which Franchisor's appointed manager or management company is managing the Franchised Business on the transferor's behalf.

13.8 **Public and Private Offerings.** Securities, units, or other ownership interests in Franchisee may be offered by public or private offering, or otherwise, only with the prior written consent of Franchisor (whether or not Franchisor's consent is required under Article 13.2 of this Agreement). If Franchisee requests consent for a public offering Franchisor may grant or withhold its consent in its sole discretion based solely upon what Franchisor deems to be in its best interests. If Franchisee requests consent for a private offering, Franchisor will not unreasonably withhold its consent. All materials required for such offerings by federal or state law shall be submitted to Franchisor for review prior to their being filed with any governmental agency; and any materials to be used in any exempt offering shall be submitted to Franchisor for review prior to their use. No Franchisee offering shall imply (by use of the Proprietary Marks or otherwise) that Franchisor is participating in an underwriting, issuance, or offering of Franchisee or Franchisor securities, and Franchisor's review of any offering shall be limited solely to the subject of the relationship between Franchisee and Franchisor. Franchisee and the other participants in the offering must fully indemnify Franchisor in connection with the offering. For each proposed public offering, Franchisee shall pay to Franchisor a fee of $25,000, or such higher amount that covers Franchisor's reasonable costs and expenses associated with reviewing the proposed offering, including, without limitation, legal and accounting fees. Franchisor at its discretion may refund any unused portion of such fee. For each private offering of securities, Franchisee shall pay to Franchisor a fee of $10,000 or such higher amount that covers Franchisor's reasonable costs and expenses associated with reviewing the proposed private offering, including, without limitation, legal and accounting fees. Franchisee shall give Franchisor written notice at least ninety (90) days prior to the date of commencement of any public offering and at least thirty (30) business days prior to the date of commencement of any private offering or other transaction covered by this Article.

13.9 **Minority Transfers to Employees.** Notwithstanding any provision to the contrary contained in this Article 13, Franchisee may transfer not more than an aggregate of 25% of the outstanding voting shares, units, or ownership interests of Franchisee if it is operating as a corporation, partnership, or limited liability company, to employees of Franchisee who are actively engaged in the Franchised Business' operations, if such transfers, alone or together with other previous, simultaneous, or proposed transfers, do not have the effect of transferring a Controlling Interest in Franchisee. The ownership of such shares, units, or ownership interests by such employees will be subject to all of the terms and conditions of this Agreement, including, without limitation, Article 11 and Article 13 of this Agreement. Franchisee shall provide Franchisor with written notice of any such proposed transfer and all pertinent information regarding the same not later than 30 days prior to the proposed date of transfer.

13.10 **Conditions to Transfers.** Franchisor shall not unreasonably withhold any consent required under this Article 13 provided, that Franchisor shall have the right to require any or all of the following as conditions of its approval of a Transfer By Franchisee:

A. except for a Transfer By Franchisee pursuant to Articles 13.4, and 13.9, each proposed transferee shall be required to submit an application for a new franchise license. Franchisor will process such application in accordance with Franchisor's then-current procedures, criteria, and requirements for new franchisees in regard to payment of fees, upgrading of the Franchised Business, credit worthiness, operational abilities and capabilities, prior business dealings, and other factors Franchisor deems reasonable;

B. each transferor shall execute a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its Affiliates, successors, and assigns, including, without limitation, claims arising under this Agreement, and any other agreement between Franchisee and Franchisor or its Affiliates;

C. the transferee or its owners shall guarantee, in a form satisfactory to Franchisor, the performance of all obligations of Franchisee from the date of the Transfer By Franchisee;

D. if the proposed Transfer By Franchisee would result in a Change in Control of Franchisee, the transferee shall execute the then-current form of Franchise Agreement being offered to new franchisees for the full term, except that if the then-current form of franchise agreement contains any rights to identify a proposed Approved Location in the Site Selection Area described on the Cover Page of this Agreement, such right will not apply, provided that if the Transfer by Franchisee occurs before the deadline to have a location approved by Franchise as the Approved Location, the remainder of such rights will be transferred. The transferee shall execute such other ancillary agreements required by Franchisor for the business franchised hereunder, which agreements shall supersede this Agreement and its ancillary documents in all respects, and the terms of which may differ from the terms of this Agreement including, without limitation, those regarding the amounts to be paid to Franchisor by Franchisee;

E. if the proposed Transfer By Franchisee does not result in a Change of Control and does not have the effect of transferring a Controlling Interest in Franchisee, Franchisee will pay a transfer fee of $1,500; if the Transfer By Franchisee results in a Change of Control of Franchisee, Franchisee will pay a transfer fee equal to seventy-five percent (75%) of the then-current initial franchise fee, unless the transferee is a then-current Good News Brewing franchisee in which case the transfer fee will be equal to fifty percent (50%) of the then-current initial franchise fee. Such fee is in lieu of any application fee or Initial Franchise Fee normally required under a new Franchise Agreement, and is intended to reimburse Franchisor for reasonable fees and expenses incurred by Franchisor in addressing the proposed Transfer by Franchisee;

F. if a proposed Transfer By Franchisee would result in a Change in Control of Franchisee, after Franchisor has conducted a property inspection, Franchisee or transferee, at the expense of Franchisee or transferee or both, must upgrade the Franchised Business to conform to the then-current System standards and specifications, and complete the upgrades and other requirements within the time specified by Franchisor;

G. all monetary obligations of Franchisee hereunder shall be paid in full on a current basis, and Franchisee must not be otherwise in default of any of its obligations hereunder including, without limitation, its reporting obligations;

H. that the transferor shall continue to be bound by, and remain liable for all of the obligations to Franchisor in connection with the Franchised Business that arose prior to the effective date of the Transfer by Franchisee, and any covenants that survive the termination or expiration of this Agreement, and shall execute any and all instruments reasonably requested by Franchisor to evidence such liability;

I. if a proposed Transfer By Franchisee would result in a Change in Control of Franchisee, at Franchisee's expense, the transferee, or, if the transferee is a business entity, one of its owners, shall complete to Franchisor's satisfaction all training programs required by Franchisor upon such terms and conditions as Franchisor may reasonably require, including the payment of a fee for attendance at such training programs. The transferee shall be responsible for the salary and all expenses of the person who attend the training.

If the proposed Transfer By Franchisee is not approved by Franchisor and Franchisee proceeds to transfer the Franchised Business or securities, units, or other ownership interests in Franchisee to any proposed new owner then this Agreement shall terminate pursuant to Article 14.1.B hereof and Franchisor will be entitled to all of its remedies. Neither the Agreement, nor any rights hereunder, shall be transferable in the event that Franchisee is in default under the Agreement.

13.11 **No Waiver of Claims.** Franchisor's consent to a Transfer by Franchisee of any interest in the license granted herein shall not constitute a waiver of any claims it may have against the transferor, 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.

Article 14. Default and Termination.

14.1 This Agreement may not be terminated prior to the expiration of the Term except as provided in this Article 14. Termination of this Agreement shall not relieve Franchisee of any unfulfilled obligations to Franchisor created hereunder unless it is so agreed by Franchisor in writing. This Agreement may be terminated as follows:

A. Upon the mutual written agreement of the parties.

B. At Franchisor's option, effective immediately upon the giving of written notice to Franchisee, in the case of a condemnation of a substantial portion of the Franchised Business in accordance with Article 7.21 of this Agreement, or if Franchisee (i) fails to submit a site application, commence construction at the Approved Location, complete construction of the Franchised Business, or open the Franchised Business and commence operations within the time schedule established under Article 5 of this Agreement; (ii) ceases to operate the Franchised Business or otherwise abandons the Franchised Business, or forfeits the legal right to do business in the jurisdiction where the Franchised Business is located; (iii) is convicted of a felony or other crime involving moral turpitude, consumer fraud, or a crime or offense Franchisor believes is likely to have an adverse effect on Franchisee's ability to carry out the duties imposed by this Agreement or is likely to have an adverse effect on the System and the goodwill associated therewith; (iv) executes a Transfer By Franchisee (including a Transfer by Franchisee following death or Incapacity) that transfers any rights or obligations in violation of the terms of Article 13 of this Agreement; (v) misuses or discloses confidential information in violation of Article 11 of this Agreement; (vi) knowingly makes any false statements in any report or document submitted to Franchisor; (vii) submits more than two written statements of Gross Sales which under-report Gross Sales for any reporting period by 2% or more; (viii) suffers a final judgment that remains unsatisfied or of record for thirty (30) days or longer (unless a supersedeas bond is filed), or has an execution levied against Franchisee's business or property, or if any suit is filed to foreclose on any lien or mortgage against the premises or equipment and not dismissed within thirty (30) days; (ix) becomes insolvent or has a receiver appointed to take possession of the Franchised Business or Franchisee's property or any part thereof or makes a general assignment for the benefit of creditors; (x) engages in public conduct that reflects materially and unfavorably upon the operation of the System, the reputation of the System, or the goodwill associated with the Proprietary Marks provided that engaging in legitimate political activity (including testifying, lobbying, or otherwise attempting to influence legislation) shall not be grounds for termination; (xi) is given notice of a default under this agreement three or more times during the Term regardless of whether the defaults are cured; or (xii) defaults under any franchise agreement or other agreement with Franchisor or any of its Affiliates or if an Affiliate of Franchisee defaults under any franchise agreement or other agreement with Franchisor or any of its Affiliates, which default is not curable, or if such default is curable, has not cured such default within the applicable cure period.

C. At Franchisor's option, without notice, in the event Franchisee shall become bankrupt or become subject to a proceeding under any chapter of the United States Bankruptcy Code, unless Franchisee shall: (i) timely undertake to reaffirm the obligations under the Agreement, (ii) timely comply with all conditions as legally may be imposed by Franchisor upon such an undertaking to reaffirm the Agreement, and (iii) timely comply with such other conditions and provide such assurances as may be legally required in or under relevant provisions of the United States Bankruptcy Code; provided, however, that the parties acknowledge that this Agreement constitutes a personal services contract made in reliance on the qualifications and personal characteristics of Franchisee and its directors, officers, managers, shareholders, members, or partners, as the case may be, and in the expectation of a material degree of personal involvement in the management and operation of the Franchised Business by Franchisee or its owner, and consequently, the parties agree that any attempt by any other party, including a trustee in bankruptcy or any other third party, to assume or accept a transfer or assignment of this Agreement shall be void, and in no event shall this Agreement or any rights or duties of Franchisee hereunder, be transferred to any individual or entity who does not comply with all requirements for transfer specified in this Agreement.

D. At the election of Franchisor, effective upon the expiration of thirty (30) days after giving of written notice, (or ten (10) days in the case of a failure to timely make any Payment or other financial obligation), in the event Franchisee defaults in the performance of any other covenant or provision of this Agreement, including without limitation, the obligation to pay when due any financial obligation to Franchisor, the obligation to make reports and provide information when due hereunder, or failure to maintain any of the standards or procedures prescribed for the Franchised Business in this Agreement, the Manual, or otherwise and does not cure to Franchisor's reasonable satisfaction within the thirty (30) day (or ten (10) day) notice period; provided, however, that Franchisee shall be entitled to notice and opportunity to cure any such default only once in any 6-month period, and any subsequent occurrence of the same or substantially similar default within such 6-month period shall entitle Franchisor, at its option, to terminate this Agreement effective immediately upon the giving of notice and without opportunity to cure.

14.2 **Forbearance is Not Waiver.** No forbearance of Franchisor from asserting any default or giving any permitted notice of termination shall constitute a waiver of such default or right to terminate or an estoppel against such right as to any continuing default or subsequent occurrence of a default, whether similar or dissimilar in nature to the prior default. The rights of Franchisor to terminate this Agreement are in addition to, and not in lieu of, other remedies available at law or equity for defaults by Franchisee in the payment and/or performance of its obligations hereunder.

14.3 **Purchase Option.** Upon termination or expiration of this Agreement for any reason after Opening, Franchisor will have the option to purchase the Franchised Business' assets and assume any or all of Franchisee's agreements relating to the Franchised Business, exercisable by giving written notice to Franchisee within thirty (30) days from the effective date of termination or expiration. Assets of the Franchised Business will include without limitation, site agreements, leasehold improvements, FF&E, furnishings, signs, inventory and assignable licenses. Franchisor will also have the right to assign this option. Franchisor or its assignee will be entitled to all customary warranties, representations and pro rations in connection with an asset purchase. Franchisee shall cooperate with Franchisor in obtaining any necessary lessor or other consents.

(i) Once Franchisor gives notice that it will purchase some or all of the assets of the Franchised Business, it shall have the right immediately to take over the operation of the Franchised Business. From the date Franchisor takes over the Franchised Business to the date of closing on the purchase of the assets, Franchisor shall be entitled to use revenues of the Franchised Business to operate the Franchised Business and to retain 5% of its Gross Sales as its management fee.

(ii) If Franchisee and Franchisor cannot agree on the purchase price for the assets to be purchased, the purchase price shall be determined as follows: each party shall appoint one appraiser within fifteen (15) days of Franchisor's notice, and each of the two appraisers shall independently of the other determine the purchase price. If the higher of the two prices does not exceed the lower by more than 10% of the lower price, the purchase price shall be 105% of the lower purchase price. If the higher of the two prices exceeds the lower by more than 10% of the lower price, the two appraisers shall select a third appraiser, who shall determine the assets' valuation. Each appraiser shall determine the purchase price within thirty (30) days of his or her appointment. All the appraisers must be members of the Appraisal Institute. If the purchase price is not acceptable to Franchisor, it may withdraw its offer to purchase by written notice to Franchisee. Franchisor shall have ten (10) days from the determination of the final purchase price to determine whether to purchase the Franchised Business assets.

(iii) The purchase price shall be paid in cash at the closing of the purchase, by means of check, wire transfer or electronic funds transfer, which shall take place no later than ninety (90) days after Franchisee's receipt of notice of Franchisor's intent to exercise the option to purchase, at which time Franchisee must deliver instruments transferring to Franchisor or its assignee: (1) good and marketable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to Franchisor or its assignee), with all sales and other transfer taxes paid by Franchisee; and (2) all licenses issued to the Franchised Business and/or permits which may be assigned or transferred. If Franchisee cannot deliver clear title to all of the purchased assets, or if there are other unresolved issues, the closing of the sale shall be accomplished through an escrow. Franchisor will have the right to set off against and reduce the purchase price by any and all amounts owed by Franchisee to Franchisor, the amount of any encumbrances or liens against the assets, and any liability of Franchisee assumed or paid for by Franchisor.

14.4 **Temporary Removal from Marketing and Sales Channels.** In addition to, and without limiting Franchisor's other rights and remedies under this Agreement, any other agreement or applicable law, if Franchisee defaults on its obligations under this Agreement in such a way that, in Franchisor's sole judgment, the Franchised Business does not fairly represent the quality and standards of the System, Franchisor may, temporarily, in lieu of termination, either upon the occurrence of any such default or upon Franchisee's failure to cure such default elect, in its sole discretion and upon written notice to Franchisee, to take any or all of the following actions without terminating this Agreement until such time as Franchisor confirms in writing that such default has been cured: (1) temporarily remove information concerning the Franchised Business from any Online Presence, or other marketing channels, and/or restrict Franchisee's participation in other programs or benefits offered on or through any such Online Presence; (2) temporarily suspend Franchisee's right to participate in any advertising, marketing, promotional, or public relations programs that Franchisor or the Brand Development Fund provides, authorizes, or administers; (3) withhold the provision of any services required to be performed by Franchisor under this Agreement for a period of time determined by Franchisor in its sole discretion; (4) assess a non-compliance fee in the amount of 1% of the Gross Sales of the Franchised Business for each month in which that non-compliance has occurred or has continued for one or more days, in order to compensate Franchisor for damage to the goodwill of the Proprietary Marks and the entire System; and (5) at Franchisee's expense, require Franchisee, Franchisee's owners and/or manager to attend and successfully complete training designated by Franchisor at Franchisee's cost.

Because fees charged by Franchisor for access to any Online Presence and other marketing channels are generally set to cover the cost of the channels and charged on a pro rata basis, Franchisee shall continue to pay such fees so that Franchisee's default does not negatively impact other franchisees. Franchisor's exercise of any of the alternatives to termination set forth in this Article will not constitute a waiver of Franchisor's right to terminate this Agreement due to the underlying default and Franchisor may at any point exercise such right, despite having exercised its rights under this Article.

14.5 **Temporary Management by Franchisor.** In the event of any default under this Agreement, or in the event Franchisee is unable to operate the Franchised Business for any reason, in order to prevent any interruption of the Franchised Business, which Franchisee agrees would cause harm to the Franchised Business and the System, Franchisee authorizes Franchisor or its agents and Affiliates to operate the Franchised Business for so long as Franchisor deems necessary and practical in its sole discretion. All income from the operation of the business will be kept in a separate account, and the expenses of the business, including reasonable compensation for of Franchisor, in an amount equal to 5% of Gross Sales, plus the costs Franchisor incurs for the meals, lodging, living expenses, transportation, salaries and fringe benefits (which will be equal to 20% of the salaries) of the individuals Franchisor sends to manage the Franchised Business which will be charged to this separate account. Nothing in this Article is intended to require Franchisor to operate the business in the event of Franchisee's inability, and the rights described in this Article may be exercised or not exercised in Franchisor's sole and absolute discretion.

Article 15. Obligations Upon Termination.

15.1 Upon expiration or termination of this Agreement for any reason:

A. All rights and licenses granted to Franchisee in this Agreement shall terminate;

B. Franchisee shall immediately and permanently cease to operate the Franchised Business, and shall not thereafter, directly or indirectly, represent itself to the public or otherwise hold itself out as a Franchisee of Franchisor;

C. Franchisee shall immediately and permanently discontinue the use of all Proprietary Marks, all similar names and marks, or any other designation or mark indicating or tending to indicate that Franchisee is or was a Franchisee of Franchisor. Franchisee shall promptly amend or terminate any filings or registrations with any governmental authorities containing or pertaining to the use of Franchisor's name and Proprietary Marks. Franchisee shall not promote or advertise the fact that it was formerly a Franchisee of Franchisor;

D. Franchisee shall surrender and transfer to Franchisor or its designee any and all rights to use the telephone numbers, other business listings, and Online Presence including social media accounts and all other accounts and pages in any form used by Franchisee for the Franchised Business. Franchisee agrees to cooperate and execute any and all documents required to affect transfer of the telephone numbers and other business listings from Franchisee to Franchisor or its designee;

E. Franchisee shall immediately turn over to Franchisor all materials, including, without limitation, the Manual and bulletins or supplements thereto (in whatever form Franchisee may have) and all other manuals, all customer and supplier lists, marketing materials, recipes, instructions, any Online Presence references and brochures, and any and all other materials relating to the operation of the Franchised Business in Franchisee's possession, custody, or control, and all copies thereof (all of which are acknowledged to be Franchisor's property), and shall retain no copy or record of the foregoing, excepting only Franchisee's copy of this Agreement and any correspondence between the parties, and any other documents which Franchisee reasonably needs for compliance with any provision of law;

F. Franchisee shall immediately and permanently discontinue all advertising as a Franchisee of Franchisor, including but not limited to the removal of all signs and other identifying marks and colors, and shall destroy or surrender to Franchisor any letterheads, forms, printed matter, and advertising containing the Proprietary Marks and any similar or related names marks or designations tending to indicate that Franchisee is or was a Franchisee of Franchisor;

G. Franchisee shall, at its expense, immediately make such modifications or alterations as may be necessary to distinguish the Approved Location so from its former appearance and from other Good News Locations so as to prevent any possibility of confusion therewith by the public, and to prevent the operation of any business at the Approved Location by Franchisee or others in derogation of this Article (including, without limitation, removal of all distinctive physical and structural features identifying the Franchised Business as part of the System including, without limitation, removal of all signs and emblems, and changing of telephone numbers and other directory listings). Franchisee shall, at Franchisee's expense, immediately make such specific additional changes as Franchisor may reasonably request for this purpose. Franchisee agrees that for ninety (90) days following termination or expiration, Franchisor or its designated agents may enter the Approved Location and adjacent areas, and hereby grants Franchisor an irrevocable license and permit to go upon the Approved Location premises for such purposes, at any time to make such alterations, at Franchisee's sole risk and expense, without responsibility for any actual or consequential damages to the property of Franchisee or others. Franchisee acknowledges that such actions by Franchisor are authorized and permitted and shall not be deemed a violation of any civil or criminal law or any basis for an action under such laws by Franchisee or others. Franchisee expressly acknowledges that its failure to make such alterations will cause irreparable injury to Franchisor, and the System and consents to entry, at Franchisee's expense, of an ex parte order by any court of competent jurisdiction authorizing Franchisor or its agents to take such action, if Franchisor seeks such an order;

H. Franchisee shall immediately and permanently cease using Franchisor's System, including, but not limited to the Manual, any other operating or training manuals or aids, intranet, advertising and promotional materials, and all Trade Secrets and other confidential material delivered to Franchisee pursuant to this Agreement which Franchisee agrees to destroy and/or surrender to Franchisor as Franchisor instructs;

I. Within ten (10) days following termination or expiration, Franchisee shall provide Franchisor with an inventory of all items in the Franchised Business or Approved Location, such as, but not limited to, supplies, FF&E and signage, so that Franchisor can evaluate whether it wishes to purchase any of the items pursuant to the rights granted to Franchisor by Article 14.3 of this Agreement. Franchisee shall not remove from the Franchised Business or the Approved Location, transfer, assign, hypothecate, pledge, or otherwise encumber such items until Franchisor's rights under Article 14.3 have been exhausted;

J. Franchisee shall pay all sums owing to Franchisor and its Affiliates within ten (10) days from termination or expiration. In the event of termination for any default of Franchisee, such sums shall include payment of all damages, costs, and expenses, including reasonable attorneys' fees incurred by Franchisor as a result of the default, which obligation shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of the personal property (including, without limitation, signage, equipment, furnishings, furniture, and supplies) owned and used by Franchisee in connection with the Franchised Business at the time of default;

K. Franchisee shall pay to Franchisor all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor in connection with obtaining injunctive or other relief for the enforcement of any provisions of this Agreement.

15.2 **Liquidated Damages.** The parties recognize the difficulty of ascertaining the damage to Franchisor that would result from premature termination of this Agreement and have provided for Liquidated Damages, which Liquidated Damages represent the parties' best estimate as to the damages arising from the circumstances in which they are provided and which are the only damages for the premature termination of this Agreement and are not a penalty, damages for breaching this Agreement, or paid in lieu of any other payment. Accordingly, if this Agreement is terminated pursuant to Articles 14.1.C or 14.1.D, or by Franchisee without cause, Franchisee shall pay to Franchisor within ten (10) days of the termination a lump sum payment (as Liquidated Damages and not as a penalty or a payment in lieu of any other payments required under this Agreement) equal to the total of all amounts required under Article 4 of this Agreement (including Initial Franchise Fees, Royalty Fees, Brand Development Fund Contributions and Technology Fees) for the twenty-four (24) calendar months of operation of the Franchised Business under the System immediately preceding the termination, or if there have not been twenty-four (24) full calendar months of actual operation under the System, then for the period of time the Franchised Business has been in actual operation under the System projected over a twenty-four (24) calendar months basis.

15.3 **Obligation to Preserve Records.** Termination of this Agreement shall not relieve Franchisee of the obligations under Article 10 hereof to maintain and preserve financial and other records and to make them available for inspection and audit by Franchisor.

15.4 **Survival of Certain Provisions.** All covenants, obligations, and agreements of Franchisee which by their terms or by reasonable implication are to survive or be performed, in whole or in part, after the termination or expiration of the Term, including, without limitation, those set forth in Articles 11 and 15 of this Agreement shall survive the termination or expiration of this Agreement, or the termination of this Agreement as it applies to a party who transfers all of their interests in Franchisee.

Article 16. Additional Covenants.

16.1 **Responsibility for Operation of Franchised Business.** Franchisee agrees and acknowledges that, prior to executing this Agreement, Franchisee has made such investigation of Franchisor and the System as Franchisee deems necessary, that Franchisee understands that the results of the Franchised Business are dependent upon the efforts and management skills of Franchisee, and Franchisee hereby assumes full responsibility for such operations.

16.2 **No Fiduciary Relationship.** It is understood and agreed by all parties hereto that this Agreement does not create a fiduciary relationship between them; that Franchisee shall be an independent contractor and, that nothing in this Agreement is intended to constitute either party as an agent, legal representative, subsidiary, joint venture, partner, employee, or servant of the other for any purpose whatsoever. Nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty, or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name or on Franchisor's behalf, and Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of any such action, or by reason of any act or omission of Franchisee in its conduct of the Franchised Business, or any claim or judgment arising therefrom against Franchisor. Franchisee agrees that Franchisor is not in a position to, and does not undertake to, exercise control over: the employment, supervision, or discharge of the Franchised Business' employees and except as is necessary to protect the quality of the System and/or the Good News Brewing brand and the quality of the Products and services rendered at or by the Franchised Business, has no right to do so; the maintenance of the Franchised Business and the Approved Location; guest safety and health; or other matters arising out of or affecting the Franchised Business' operations, which are all the sole responsibility of Franchisee as a qualified independent business operator. Franchisee shall hold itself out to the public as an independent contractor operating the business pursuant to a license from Franchisor. Franchisee agrees to take such affirmative action as may be necessary to do so, including, without limitation, exhibiting a notice of that fact in a conspicuous place on the premises of the Franchised Business, and, as directed by Franchisor, in Franchisee's advertising and on Franchisee's agreements, forms, stationery, and promotional materials.

16.3 **Method and Application of Payments.** All payments to Franchisor hereunder shall be made payable to Good News Franchise, LLC and, except as provided in the next sentence, shall be tendered to Franchisor in person at the address set forth in Article 18 below, or by making such Payment by mail, postage prepaid, to that address. At Franchisor's option, Franchisee shall make Payments to Franchisor hereunder by wire transfer, electronic funds transfer, or such other payment method as directed by Franchisor, to an account or accounts specified by Franchisor. All Payments received by Franchisor from Franchisee shall be applied to the oldest obligation, regardless of any contrary designation by Franchisee. Franchisee agrees that Franchisee will not, on grounds of the alleged non-performance by Franchisor of any of its obligations hereunder, withhold any Payments, amounts due to Franchisor for purchases by Franchisee, or any other amounts due Franchisor.

16.4 **Economic Sanctions and Anti-Terrorism Laws.** Franchisee and its owners understand the requirements of, and will abide by, all United States government economic sanctions requirements. Franchisee represents and warrants that neither it nor any of its direct or indirect owners, directors, officers, employees or agents is a person subject to trade restrictions under United States law, including (without limitation) the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., or any Executive Orders or regulations promulgated thereunder (including Executive Order 13224 of September 24, 2001 Blocking Location and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism, and the Specially Designated Nationals and Blocked Persons List) (**"Anti-Terrorism Laws"**). Franchisee and its owners may not engage in any activity that would expose Franchisor, or its Affiliates, to a risk of criminal or civil penalties under applicable United States law. Any violation of the Anti-Terrorism Laws by Franchisee or its owners, or any blocking of Franchisee's or its owners' assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement.

Article 17. Approvals and Waivers.

17.1 **Requests for Approval.** Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor therefor, and such approval or consent shall be obtained in writing. Except as otherwise expressly provided herein, Franchisor may withhold any consent or approval herein at its discretion.

17.2 **Franchisor's Discretion.** Franchisor shall have no liability for withholding any consent or approval or for any delay or inaction in connection therewith, and the granting of any approval or consent shall not imply or constitute any representation, warranty, guaranty, or endorsement of the matter approved or consented to or an assumption of any liability in connection therewith.

17.3 **No Waiver.** No delay, waiver, omission, or forbearance on the part of Franchisor to exercise any right, option, duty, or power arising out of any breach or default by Franchisee, or any other franchisee, of any of the terms, provisions, covenants, or conditions hereof shall constitute a waiver by Franchisor to enforce any such right, option, duty, or power as against Franchisee, or as to subsequent breach or default by Franchisee. Subsequent acceptance by Franchisor of any obligations due to it hereunder shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, provisions, covenants, or conditions of this Agreement.

Article 18. Notices.

Unless otherwise specifically stated elsewhere in this Agreement, any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered, mailed by certified or registered mail, postage prepaid, return receipt requested, or sent via a nationally recognized overnight delivery service, or sent by email (with a confirming copy mailed) to the respective parties at the following addresses unless and until a different address and/or email address has been designated by written notice to the other party:

NOTICES TO Franchisor:	Good News Franchise, LLC 3 Pewter Court O'Fallon, MO 63366 ATTN: Dan Tripp franchise@goodnewsbrewing.com
With a copy to:	Paul Woody UB Greensfelder LLP 10 S. Broadway, Suite 2000 St. Louis, MO 63102 Email: pwoody@ubglaw.com
NOTICES TO FRANCHISEE:	______________________________ ______________________________ ______________________________

____
ATTN: ______________________________
Email: ______________________________

Any notice shall be deemed to have been given at the earlier of actual receipt or three business days after mailing by certified or registered mail, or one business day after sending by email or overnight delivery service.

Article 19. Dispute Resolution.

19.1 **First Meeting of Executives**. The parties shall attempt in good faith to resolve any unsettled claims, disputes, or controversies between Franchisor and Franchisee, and other matters arising between them relating to this Agreement, any other agreement between them, the dealings or relationship between them, or Franchisee's development or operation of the Franchised Business (each a **"Dispute"**) promptly by negotiation between executives who have the authority to settle the controversy and who are at a higher level of management than the persons with direct responsibility for the administration of this Agreement if such party has a person in a higher level of management than the person with direct responsibility for the administration of this Agreement. Any party may give the other party written notice of any dispute not resolved in the normal course of business. Within 15 days after delivery of the notice, the receiving party shall submit to the other a written response. The notice and response shall include with reasonable particularity (a) a statement of each party's position and a summary of arguments supporting that position, and (b) the name and title of the one executive who will represent that party in the meeting. This meeting shall be limited to one executive/management person for each party and shall be held in person unless the parties mutually agree otherwise. Within 30 days after delivery of the notice, the executives of both parties shall meet at a mutually acceptable time and place. The following terms shall also apply to the negotiation:

A. Unless otherwise agreed in writing by the negotiating parties, the above-described negotiation shall end at the close of the first meeting of executives described above ("**First Meeting**"). Such closure shall not preclude continuing or later negotiations if the parties mutually desire.

B. All offers, promises, conduct and statements, whether oral or written, made in the course of the negotiation by any of the parties, their agents, employees, experts and attorneys are confidential, privileged and inadmissible for any purpose, including impeachment, in a proceeding involving the parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the negotiation.

C. At no time prior to the First Meeting shall either side initiate litigation related to this Agreement except to pursue a provisional remedy that is referenced in Section 19.3 of this Agreement, or authorized by law or by agreement of the parties. However, this limitation is inapplicable to a party if the other party refuses to comply with the requirements of Paragraph 19.1.

D. All applicable statutes of limitation and defenses based upon the passage of time shall be tolled while the procedures specified in Article 19.1 and 19.2 are pending and for 15 calendar days thereafter. The parties will take such action, if any, required to effectuate such tolling.

E. If the matter is not resolved by negotiation pursuant to this Article 19.1, then the matter shall proceed to mediation as set forth in Article 19.2.

19.2 **Mediation.** In the event of a Dispute that remains unresolved after the First Meeting, either party may initiate a mediation process by notifying the other party in writing. The parties agree to conduct the mediation in accordance with the then current Commercial Mediation Procedures of the American Arbitration Association, except to the extent that those rules conflict with this Agreement, in which case this Agreement shall control. However, the mediation need not be administered by the AAA unless the parties cannot agree upon the selection of a mediator within thirty days of the receipt of the written notice of mediation. If the parties cannot agree upon the selection of a mediator, either party may commence a mediation proceeding by making a request to the AAA, with a copy to the other party. The written request for mediation shall describe with specificity the nature of the dispute and the relief sought. Both parties are required to engage in the mediation in good faith. In addition the following terms apply to the mediation:

A. The mediation process shall begin promptly, but in no event later than thirty (30) days after cessation of negotiations between the parties as set forth in Article 19.1, and shall be concluded within thirty (30) days of the day the request for mediation is made, unless the parties mutually agree otherwise.

B. Mediation shall be private, voluntary, and nonbinding. Any party may withdraw from the mediation at any time before signing a settlement agreement upon written notice to each other party and to the mediator. The mediator shall be neutral and impartial. The fees and expenses of the AAA (or other administrator) and the mediator shall be shared equally by the parties. Each party shall bear its own attorneys' fees and other costs incurred in connection with the mediation irrespective of the outcome of the mediation. The mediator shall be disqualified as a witness, consultant, expert, or counsel for any party with respect to the matters in Dispute and any related matters. At least seven days before the first scheduled session of the mediation, each party shall deliver to the mediator a concise written summary of its position with respect to the matters in dispute (such as claims or defenses) and such other matters required by the mediator.

C. Unless the parties agree otherwise, the entire mediation process shall be confidential and without prejudice. The parties and the mediator shall not disclose any information, documents, statements, positions, or terms of settlement. Nothing said or done or provided by the parties in the course of mediation shall be reported or recorded or, except as ordered by a court of competent jurisdiction, placed in any legal proceeding or construed for any purpose as an admission against interest. Nevertheless, evidence otherwise discoverable or admissible is not excluded from discovery or admission as a result of its use in mediation.

D. All mediation proceedings shall take place in the city or county where Franchisor maintains its principal place of business at the time of the mediation.

E. Mediation shall be a condition precedent to either party's commencement or pursuit of any action which may be the subject of the Dispute, with the exception of those Disputes set forth in paragraph 19.3.

19.3 **Temporary Restraining Orders and Injunctive Relief.** Notwithstanding anything to the contrary contained in this Article, Franchisee and Franchisor each have the right in a proper case to obtain temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction. Franchisee acknowledges that a proper case to obtain temporary restraining orders and temporary or permanent injunctive relief from a court of competent jurisdiction shall include, but not be limited to, the following:

A. Any Dispute involving actual or threatened disclosure or misuse of the contents of the Manual or any other confidential information or Trade Secrets of Franchisor;

B. Any Dispute involving the ownership, validity, use of, or right to use or license the Proprietary Marks;

C. Any action by Franchisor to enforce the covenants set forth in Article 11, Article 13 or Article 15 of this Agreement; and

D. Any action by Franchisor to stop or prevent any threat or danger to public health or safety resulting from the construction, maintenance, or operation of the Franchised Business. The provisions of this Article are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

19.4 **Litigation.** The parties acknowledge that Franchisor operates, or intends to operate, a nationwide franchise system, with franchisees located in numerous different states and in numerous counties and cities within such states. Accordingly, the parties hereby agree that in view of the fact that the books, records, and business personnel of Franchisor are currently located, for the most part, in St. Charles County, Missouri where Franchisor is located, and in order to minimize disruption or interference with operation of the franchise system as a whole, the parties agree as follows:

A. Any and all court proceedings arising from or relating in any manner to any Dispute between Franchisor and Franchisee, shall be brought in, and only in, a state court of general jurisdiction sitting in St. Charles County, Missouri, or in the United States District Court for the District in St. Charles County, Missouri or if Franchisor's principal place of business is no longer in the southwest part of the state of Missouri, wherever Franchisor has its principal place of business at the time any such action is instituted, and Franchisee irrevocably submits to the jurisdiction of such courts and waives any objection Franchisee may have to either the jurisdiction or venue of such court. No individual shall be joined as a party to such proceedings if such joinder has the effect of destroying federal court jurisdiction unless that individual or entity is a necessary party to the proceeding as a matter of law.

B. THE PARTIES AGREE THAT ALL DISPUTES ADMITTED TO THE COURT PURSUANT TO THIS PROVISION SHALL BE TRIED TO THE COURT SITTING WITHOUT A JURY, NOTWITHSTANDING ANY STATE OR FEDERAL CONSTITUTIONAL OR STATUTORY RIGHTS OR PROVISIONS.

C. NO PUNITIVE OR EXEMPLARY DAMAGES SHALL BE AWARDED AGAINST EITHER FRANCHISOR OR FRANCHISEE OR ANY AFFILIATES OF EITHER OF THEM, IN ANY PROCEEDING, AND ALL CLAIMS TO SUCH DAMAGES ARE HEREBY WAIVED.

19.5 **Statute of Limitations.** Franchisor and Franchisee agree that no form of action or proceeding permitted hereby will be maintained by any party to enforce any liability or obligation of the other party, whether arising from this Agreement or otherwise, unless the proceeding is brought before the expiration of the earlier of (i) one year after the date of discovery of the facts resulting in such alleged liability or obligation; or (ii) two years after the date of the first act or omission giving rise to such alleged liability or obligation. Notwithstanding the foregoing, where state or federal law mandates or makes possible by notice or otherwise a shorter period, such shorter period shall apply in all cases, in lieu of the time specified in (i) or (ii) above.

19.6 **Franchisor's Business Judgment.** The parties hereto recognize, and any mediator or judge is affirmatively advised, that certain provisions of this Agreement describe the right of Franchisor to take (or refrain from taking) certain actions in the exercise of its discretion based on its assessment of the overall best interest of the System and/or franchise program. Where such discretion has been exercised, and is supported by the business judgment of Franchisor, neither a mediator nor a judge shall substitute his or her judgment for the judgment so exercised by Franchisor.

19.7 **Legal Fees.** If Franchisor incurs any legal fees or costs or other expenses in seeking enforcement of or defending this Agreement, or as a result of claims arising out of or related to any Dispute (except those fees and costs in connection with the First Meeting and Mediation as identified in paragraph 19.1 and 19.2), then Franchisor shall recover from Franchisee the amount of all legal fees, costs and expenses, including attorneys' fees, whether incurred prior to, or in preparation for or contemplation of the filing of any claim, demand, action, or proceeding.

19.8 **No Class Action.** Any disagreement between Franchisee and Franchisor (and Franchisor's Affiliates) will be considered unique as to its facts and must not be brought as a class action, and Franchisee waives any right to proceed against Franchisor (and Franchisor's Affiliates, stockholders, members, officers, directors, employees, agents, successors and assigns) by way of class action, or by way of a multi-plaintiff, consolidated or collective action.

Article 20. Construction and Modification.

20.1 **Entire Agreement and Amendment.** Franchisor and Franchisee each acknowledge and warrant to each other that they wish to have all terms of their business relationship defined in this written Agreement. Neither Franchisor nor Franchisee wishes to enter into a business relationship with the other in which any terms or obligations are the subject of alleged oral statements or in which oral statements serve as the basis for creating rights or obligations different than or supplemental to the rights and obligations set forth herein. Accordingly, Franchisor and Franchisee agree that this Agreement, together with any other documents or agreements executed by the parties contemporaneously hereto, supersede and cancel any prior and/or contemporaneous discussions (whether described as presentations, inducements, promises, agreements, or any other communication), between Franchisor or anyone acting on its behalf and Franchisee or anyone acting on his, her or its behalf, which might be taken to constitute agreements, representations, inducements, promises, or understandings (or any equivalent term) with respect to the relationship between the parties, and Franchisor and Franchisee each agree that they have placed, and will place, no reliance on any such discussions, provided, however, that nothing in this Agreement or any related document is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document furnished to Franchisee. This Agreement, together with any other documents or agreements executed by the parties contemporaneously hereto, constitutes the entire agreement between the parties and contains all of the terms, conditions, rights, and obligations of the parties with respect to any aspect of the relationship between the parties. No future franchise license rights or offer of franchise license rights have been promised to Franchisee and no such franchise license rights or offer of franchise license rights shall come into existence, except by means of a separate writing, executed by an officer of Franchisor or such other entity granting the Franchise Agreement and specifically identified as a modification of this Agreement. No change, modification amendment or waiver of any of the provisions hereof, including by custom or usage of trade or course of dealing or performance, shall be effective and binding upon either party unless it is in writing, specifically identified as an amendment hereto, and signed by the party to be charged.

20.2 **Governing Law.** Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §1051 et seq.), this Agreement and the relationship between Franchisor and Franchisee will be interpreted and construed in accordance with the substantive laws of the State of Missouri, without giving effect to its conflicts of law provisions, provided that any nothing in this Article is intended by the parties to subject this Agreement to any franchise of similar law, rule or regulation of such state to which this Agreement would not otherwise be subject. If applicable law provides Franchisee with additional rights as to notices, opportunities to cure or otherwise than as are provided by this Agreement as to termination, renewal, transfers or otherwise, Franchisor will comply with the requirements of such laws to the extent they exceed Franchisor's obligations under this Agreement.

20.3 **Survival.** Should any one or more parts of this Agreement be declared invalid for any reason by a court of competent jurisdiction, such decision shall not affect the validity of any remaining portions of the Agreement, which shall remain in full force and effect as if the Agreement had been executed without such invalid parts, except to the extent the absence of the provisions invalidated would frustrate or make it impossible to achieve the purposes for which the Agreement was made. Should the requirements of any applicable law or regulation change or modify the terms of this Agreement or conflict with its provisions, such change or modification shall not be applicable to this Agreement unless such change is lawfully mandated by the authority making the same, in which case only the provisions affected by such law or regulation shall be affected, and the Agreement shall otherwise remain in full force and effect, as modified to be consistent with such law or regulation.

20.4 **Third Party Beneficiaries.** This Agreement is made solely for the benefit of the parties hereto and their respective successors and permitted assigns, and nothing herein shall create any right to rely upon the terms hereof in favor of any third party nor confer any right or remedy upon any third party, except as specifically provided in Article 11.2 of this Agreement.

20.5 **Captions.** 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 provisions hereof.

20.6 **Gender.** All terms and words used in this Agreement, regardless of numbers and genders in which they are used, shall be deemed to include singular or plural and all genders as the context or sense of this Agreement or any paragraph or clause herein may require.

20.7 **Joint and Several.** All acknowledgments, promises, covenants, agreements, and obligations herein made or undertaken by Franchisee shall be deemed jointly and severally undertaken by all those executing this Agreement on behalf of Franchisee and those guaranteeing Franchisees obligations.

20.8 **Time is of the Essence.** Time is of the essence of this Agreement and all provisions hereof shall be so interpreted. Any provision of this Agreement which imposes an obligation after termination or expiration of this Agreement shall survive such termination or expiration.

20.9 **Remedies Not Exclusive.** No right or remedy conferred upon or reserved to Franchisor or Franchisee by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

Article 21. Execution of Agreement.

21.1 **Multiple Counterparts.** This Agreement may be executed in counterparts, including both counterparts that are executed on paper and counterparts that are in the form of electronic records and are executed electronically, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

21.2 **Timely Receipt and No Inconsistent Warranties or Representations.** By signing this Agreement, Franchisee acknowledges that it has received a complete copy of this Agreement, with any Exhibits referred to herein attached, at least seven (7) calendar days prior to the date on which this Agreement was executed, and further acknowledges that it has received Franchisor's franchise disclosure document at least fourteen (14) calendar days prior to the date on which this Agreement was executed or any money paid, or by such earlier date as may be required by state law. Franchisee further acknowledges that no agent or employee of Franchisor is authorized to make any representation or warranty inconsistent with or in addition to the terms of this Agreement. By signing this Agreement, Franchisee represents and warrants to Franchisor that no such representation or warranty, including specifically any representation as to the potential success or profitability of the Franchised Business, has been made or relied upon.

[Remainder of page intentionally left blank. Signature page follows]

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Agreement as of the day and year first above written.

"Franchisor"	**"Franchisee"**
GOOD NEWS FRANCHISE, LLC A Missouri limited liability company	**[FRANCHISEE],** **A ____________________**
______________________________	______________________________
BY: __________________________	BY: __________________________
ITS: __________________________	ITS: __________________________

OWNERS' ACKNOWLEDGEMENT

Each following party is an owner of Franchisee. Each following party is signing this Acknowledgment, not as a party, but only to the extent necessary to indicate its, his or her acceptance of, and agreement to be bound by, the specific rights and duties of an owner of Franchisee mentioned in this Agreement, including rights and obligations relating to confidentiality, competition, and transfers.

sign here if the owner is an entity	*sign here if the owner is an individual*
______________________________	______________________________
By: ______________________________	Print name: ______________________
Name: ____________________________	Percentage Ownership:______________
Its: ______________________________	
Percentage Ownership:______________	

sign here if the owner is an entity	*sign here if the owner is an individual*
______________________________	______________________________
By: ______________________________	Print name: ______________________
Name: ____________________________	Percentage Ownership:______________
Its: ______________________________	
Percentage Ownership:______________	

sign here if the owner is an entity	*sign here if the owner is an individual*
______________________________	______________________________
By: ______________________________	Print name: ______________________
Name: ____________________________	Percentage Ownership:______________
Its: ______________________________	
Percentage Ownership:______________	

OWNER'S GUARANTY

In consideration of, and as an inducement to GOOD NEWS FRANCHISE, LLC (**"Franchisor"**), to enter into the foregoing Franchise Agreement with ______________________ (**"Franchisee"**) dated ____________________________ (**"Franchise Agreement"**), the undersigned individually and, if more than one guarantor, jointly and severally, guarantee the punctual payment and performance of all obligations of Franchisee under the Franchise Agreement and any documents, agreements, instruments and promissory notes executed pursuant to or in connection with the Franchise Agreement (**"Franchise Documents"**). This shall be an unconditional, irrevocable, and continuing guaranty for the entire term of this Owner's Guaranty (the "Guaranty") and the Franchise Agreement.

The undersigned agree that they are willing to remain fully bound by this Guaranty notwithstanding any action or inaction of Franchisor and Franchisee in connection with the Franchise Agreement, and that their obligation shall not be modified, waived, or released by any modification, amendment, or departure from the terms of the Franchise Agreement, or by any forbearance, extension of time, waiver, or release granted by Franchisor to Franchisee or any guarantor or with respect to any security held by Franchisor. The undersigned expressly waive any, and agree to pay and perform the obligations of Franchisee without, notice or demand from Franchisor and without any requirement that Franchisor first proceed against Franchisee or any other guarantor.

The undersigned waives:

(i) acceptance and notice of acceptance by Franchisor of the foregoing undertakings;

(ii) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guarantied;

(iii) protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guarantied;

(iv) any right the undersigned may have to require that an action be brought against Franchisee or any other person as a condition of liability; and

(v) any and all other notices (including, without limitation, notice of amendment or modification of the Franchise Agreement, notice of default or termination, and any other notices required by the Franchise Agreement) and legal or equitable defenses to which the undersigned may be entitled.

The undersigned consents and agrees that:

(i) the undersigned's direct and immediate liability under this Guaranty shall be joint and several with all signatories to this and similar guaranties of Franchisee's obligations;

(ii) the undersigned will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so;

(iii) this Guaranty will apply to any claims Franchisor may have due to return of any payments or property Franchisor may have received from Franchisee as a preference, fraudulent transfer or conveyance or the like in any legal proceeding;

(iv) such liability will not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and

(v) such liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person, including without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during and after the terms of the Franchise Documents, as the same may be amended or renewed, until Franchisee's duties and obligations to Franchisor are fully discharged and satisfied; and

(vi) will pay Franchisor's court costs and reasonable attorney's fees in enforcing or collecting on this Guaranty.

All capitalized terms when used herein will have the meaning ascribed to them in the Franchise Agreement unless otherwise defined herein.

This Owner's Guaranty will be governed, construed and interpreted in accordance with the substantive laws of the State of Missouri, without giving effect to its conflicts of law principles.

IN WITNESS WHEREOF, each of the undersigned has affixed his signature on the _____ day of ___________________, 20 ___.

WITNESS(ES):	GUARANTOR(S):
______________________________	______________________________
Print or Type Name	Print or Type Name
______________________________	______________________________
Signature	Signature
______________________________	______________________________
Print or Type Name	Print or Type Name
______________________________	______________________________
Signature	Signature

EXHIBIT A

GOOD NEWS FRANCHISE, LLC

FRANCHISE AGREEMENT

Approved Location

Street Address: ____

City:______________________________ State:________________ Zip Code: ______

EXHIBIT B

GOOD NEWS FRANCHISE, LLC

FRANCHISE AGREEMENT

Owners of Franchisee

NAME OF OWNER	**VOTING RIGHTS IN FRANCHISEE**	**BENEFICIAL INTEREST IN FRANCHISEE**
______________________	__________	____________________
______________________	__________	____________________
______________________	__________	____________________
______________________	__________	____________________
______________________	__________	____________________
______________________	__________	____________________
TOTAL	100%	100%

EXHIBIT C

GOOD NEWS FRANCHISE, LLC

FRANCHISE AGREEMENT

Protected Territory Map

[Insert Map Here]

EXHIBIT D

GOOD NEWS FRANCHISE, LLC

SITE TO BE DETERMINED ADDENDUM

THIS SITE TO BE DETERMINED ADDENDUM TO FRANCHISE AGREEMENT ("Addendum") is made and entered into at O'Fallon, Missouri this ____ day of ___________, ______, by and between GOOD NEWS FRANCHISE, LLC, a Missouri limited liability company (hereinafter referred to as "Franchisor"), and ___________________________ (hereinafter referred to as "Franchisee") whose principal business address is _____________________________________.

WHEREAS, Franchisor and Franchisee have entered into a Franchise Agreement (the "Franchise Agreement") of even date hereof; and

WHEREAS, the location where Franchisee shall construct a Franchised Business under the Franchise Agreement has not yet been identified;

NOW, THEREFORE, the parties agree as follows:

The following provisions shall amend and be incorporated into the Franchise Agreement. In the event of any conflict between the terms of the Franchise Agreement and the terms of the Addendum, the terms of this Addendum shall control. All capitalized terms not defined in this Addendum shall have the respective meanings set forth in the Franchise Agreement.

1. Notwithstanding anything to the contrary in the Franchise Agreement, the parties agree Franchisee shall submit a completed Site Application for a location located within the Site Selection Area designated by Franchisor to Franchisor on or before ____________ ______. Such Site Selection Area or market must be in a state where Franchisor is registered to offer and sell franchises. Franchisee's failure to meet that deadline shall constitute a default under the Franchise Agreement allowing Franchisor to terminate the Franchise Agreement effective immediately upon notice of termination.

2. Notwithstanding anything to the contrary set forth in Article 5.3 of the Franchise Agreement, Franchisee shall Commence Construction no later than 240 days after the proposed site is approved by Franchisor or within 60 days of the point in time when a building permit for the Franchised Business is ready for issuance, whichever occurs earlier.

3. To the extent not amended herein, all other terms and conditions of the Franchise Agreement shall remain in full force and effect. No references to the amendments contained herein need be made in any instrument or document at any time referring to the Franchise Agreement and any such reference is deemed to be a reference to the Franchise Agreement as amended by this Addendum.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum as of the day and year first above written.

FRANCHISEE:	**GOOD NEWS FRANCHISE, LLC:**
A ___________________[limited liability company]	A Missouri limited liability company
______________________________	______________________________
By:___________________________	By:___________________________
Its:___________________________	Its:___________________________

EXHIBIT E

GOOD NEWS FRANCHISE, LLC
FRANCHISE AGREEMENT

DIRECT DEBIT AUTHORIZATION AGREEMENT

____(Name of Person or Legal Entity)

____ (ID Number)

The undersigned depositor ("**Depositor**") ("**Franchisee**") hereby authorizes Good News Franchise, LLC ("Franchisor") or any of its affiliates 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 authority is to remain in full and force and effect until sixty (60) days after Franchisor has received written notification from Franchisee of its termination.

______________________ Depositor	______________________ Depository
By: ______________________	By: ______________________
Name: ______________________	Name: ______________________
Title: ______________________	Title: ______________________
Date: ______________________	Date: ______________________

EXHIBIT F

GOOD NEWS FRANCHISE, LLC
CONFIDENTIALITY AGREEMENT

THIS CONFIDENTIALITY AGREEMENT (the "Agreement") is made and entered into as of the ______ day of _____________, 20__ by and between ___________________________ ("Recipient"), and GOOD NEWS FRANCHISE, LLC, a Missouri limited liability company ("Franchisor").

A. Recipient desires to review certain confidential and proprietary information regarding Franchisor, its affiliates, and/or its franchisees (collectively the "Disclosing Parties"), for the purpose of evaluating whether to directly or indirectly enter into a business relationship with Franchisor (the "Contemplated Relationship"); and

B. Franchisor desires to disclose certain confidential and proprietary information to Recipient, but only pursuant to the terms of this Agreement.

In consideration of the covenants and premises herein contained, and for other good and valuable consideration received, it is hereby agreed as follows:

1. Recipient acknowledges and agrees that all Covered Information (defined below) it receives from Franchisor, its affiliates, or franchisees is confidential and proprietary information. For purposes of this Agreement, "Covered Information" includes, by way of example, but without limitation, the Manual, Trade Secrets, recipes, data, know-how, processes, designs, sketches, photographs, plans, drawings, specifications, reports, financial information, customer lists, pricing information, other information about advertising, marketing, designs and methods of operation, studies, findings, inventions, and ideas. Recipient agrees that any information received from Franchisor, its subsidiaries, affiliates, or franchisees (a) shall only be used for purposes of evaluating whether Recipient desires to directly or indirectly enter into a business relationship with Franchisor, and (b) shall not be disclosed to any third party without the prior written consent of Franchisor. Recipient agrees to use reasonable care to prevent the disclosure of the Covered Information to any third party, and further agrees to limit the dissemination of the Covered Information within its own organization to individuals whose duties justify the need to know such information, and then only provided that there is a clear understanding by such individuals of their obligation to maintain the confidential status of the Covered Information and to restrict its use solely to the purposes specified herein.

2. All Covered Information remains the exclusive property of Franchisor or the Disclosing Parties, and nothing contained in this Agreement may be construed as a grant, express or implied or by estoppel, of a transfer, assignment, license, or lease of any right, title, or interest in the Covered Information, other than as the limited right of use stated herein. Recipient agrees that the amount of Covered Information to be disclosed to Recipient is completely within the discretion of Franchisor. Nothing in this Agreement requires either party or its owners to enter into the Contemplated Relationship or to negotiate a Contemplated Relationship for any specified period of time or otherwise.

3. The Parties agree that notwithstanding the termination of this Agreement, the Recipient's obligations hereunder will survive for five (5) years after the Effective Date. If either party determines that it does not wish to proceed with a Contemplated Relationship or if either party notifies the other party of a termination of this Agreement, then Recipient will destroy or return all written materials, documents, or other Covered Information received from Franchisor, its affiliates, subsidiaries, or franchisees, or any notes, photos, or derivatives works thereof. Additionally, the Recipient will certify to Franchisor in writing that it has complied with the obligations of this Section.

4. Recipient shall be under no obligation under this Agreement with respect to any information (a) which is, at the time of the disclosure, available to the general public; (b) which becomes at a later date available to the general public through no fault of the Recipient and then only after said date; or (c) which Recipient can demonstrate was in its possession before receipt.

5. The definition in Section 1 of Covered Information is for illustrative purposes only. The Recipient of the Cover Information must perform its own due diligence when evaluating the Contemplated Relationship, and Franchisor or other Disclosing Parties will not be liable for the Recipient's failure to do so. Recipient must rely solely on its own investigation and not on information provided by Franchisor.

6. Franchisor does not guarantee or warranty the accuracy or completeness of the Covered Information. Some Covered Information may have been obtained from or gathered by third parties and Franchisor has not performed any independent investigation or verification of such Covered Information. The Covered Information is being provided on an “AS IS” “WHERE IS” basis and Franchisor does not make and specifically disclaims any representations, warranties, promises, covenants, agreements or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, including, without limitation, warranties of merchantability, fitness for a particular purpose, non-infringement or intellectual property rights or other warranties, conditions, guarantees or representations, whether express or implied.

Any financial information included in the Covered Information is not a guarantee or otherwise indicative of potential success, profitability, or any particular level of return from the Contemplated Relationship, if consummated. Many factors would impact the success and profitability of the Contemplated Relationship, including without limitation site selection, local economic conditions (which conditions may change over time), and the Recipient's business acumen, management skill, and experience.

The Covered Information does not constitute an offer to become a franchisee or to sign any agreement or an offer to enter the Contemplated Relationship. Entering the Contemplated Relationship will be subject to, among other things, the execution of a franchise agreement and certain other collateral agreements and the payment of certain fees. Franchisor's provision of the Covered Information, and the Recipient's acceptance of it, does not obligate either party to enter into the Contemplated Relationship.

7. This Agreement will be governed and construed in accordance with the laws of the State of Missouri, excluding its conflicts of law principles. Any legal action or proceeding arising out of or related to this Agreement must be brought in a state or federal court in St. Charles County, Missouri or the county and state in which Franchisor has its principal place of business at the time the legal action or proceeding is initiated. Each party submits itself to the jurisdiction of such courts. However, a party may seek to enforce an order or judgment of any such court in any other court of competent jurisdiction.

8. This Agreement constitutes the entire agreement and understanding among the parties hereto and shall not be amended except pursuant to a written agreement executed by each of the parties hereto. This agreement shall be binding upon the parties hereto and their respective heirs, administrators, successors, and assigns. This Agreement may be signed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the day, month, and year first above written.

"Franchisor"	**"Recipient"**
GOOD NEWS FRANCHISE, LLC A Missouri limited liability company	
______________________________________	______________________________________
BY: ______________________________	NAME: ______________________________
ITS: ______________________________	

EXHIBIT G

COVENANT AGREEMENT

THIS COVENANT AGREEMENT (this "Agreement") is entered into as of the ___ day of ___________, 20__, by and among GOOD NEWS FRANCHISE, LLC ("Franchisor") and _______________, _______________, and _______________ (whether one or more "Covenantors").

W I T N E S S E T H:

WHEREAS, Covenantors have agreed to enter into this Agreement to induce Franchisor to enter into that certain Franchise Agreement ("Franchise Agreement") dated ____________, 20__, between Franchisor and _____________________________ ("Franchisee"); and

WHEREAS, Covenantors and their Affiliates have entered into, or may in the future enter into other franchise agreements with Franchisor ("Other Agreements");

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the Covenantors covenant and agree as follows:

1. Capitalized terms used herein and not otherwise defined shall have the same meaning as defined in the Franchise Agreement.

2. The Covenantors shall not, either directly or indirectly, individually, or through, or on behalf of, or in conjunction with any person, persons, or entity:

   a. During the term of the Franchise Agreement, the Other Agreements and thereafter, except as otherwise approved in writing by Franchisor, copy or disclose to any person other than Franchisee's employees (and then only to employees who have a need to know) (i) any Trade Secrets, (ii) any knowledge, information or know-how concerning the System, or (iii) all or any portion of the Manual or any other confidential materials, including without limitation, the design of the Good News Locations, methods of operation and service at Good News Locations, intranet content, knowledge of sales and profit performance at any one or more Good News Location, and advertising and promotional programs, advertising, promotion and marketing techniques, the selection and training of Franchised Business managers and, in general, methods, techniques, formulas, formats, specifications, procedures, information systems and knowledge, in the operation and licensing of Good News Locations, or other materials deemed confidential by Franchisor. Covenantors shall at all times treat the Trade Secrets and Manual and the information contained therein as confidential, and shall use all reasonable efforts to maintain such information as secret and confidential and shall use the same only in the operation of the Franchised Business. The Trade Secrets including the Manual shall at all times remain the sole property of Franchisor, and shall be returned to Franchisor immediately upon expiration or termination of this Agreement. Any and all information, knowledge, know-how, and other data, that Franchisor designates as confidential shall be deemed confidential for purposes of this Agreement, except information which Covenantors can demonstrate came to their attention prior to disclosure thereof by Franchisor; or which, at or after the time of disclosure by Franchisor to Covenantors, had become a part of the public domain, through publication or communication by others.

b. During the term of the Franchise Agreement or any Other Agreement, compete, or be associated, directly or indirectly as an owner, officer, director, employee, consultant, or otherwise, in any Competing Business, and, for a period of two (2) years after any transfer or termination of any Franchise Agreement or any Other Agreement for any reason, Covenantors shall not compete, or be associated, directly or indirectly as an owner, officer, director, employee, consultant, or otherwise, in any Competing Business that is located within twenty-five (25) miles of any Good News Locations. For purpose of this Section 2, the term “Competing Business” means any restaurant that makes a majority of its revenue from pizza, any brew pub, or any bar that makes more than half of its alcohol sales revenue from the sale of craft beer (except a Good News Location); provided, however, that passive ownership of less than 5% of the outstanding voting securities of a publicly held corporation (which for purposes of this Agreement means a corporation registered under the Securities Exchange Act of 1934) shall not be deemed a violation of this Section.

c. During the term of the Franchise Agreement or any Other Agreement, employ or seek to employ any person who is or was within the immediate past six (6) months employed in a management capacity by Franchisor, any other Good News Brewing franchisee (except for System franchisees who are Affiliates of any Covenantor), or induce or seek to induce any such person to leave his or her employment. Franchisor shall not employ or seek to employ any person who is or was within the immediate past six (6) months employed by Franchisee or induce or seek to induce any such person to leave his or her employment. Any party violating the provisions of this Section 2.c shall pay to the former employer as liquidated damages (which the parties agree are difficult to ascertain) an amount equal to two (2) times the annual salary of the employee involved, plus all costs and attorneys’ fees incurred by the former employer in connection with such default. The parties hereto agree that each current and future franchisee in the system shall be a third party beneficiary of the provisions of this Section 2.c, and shall be entitled to enforce the provisions hereof. Franchisor shall have no obligation to enforce the provisions of this Section 2.c for the benefit of any current or future franchisee in the System.

3. In the event any provision of this Agreement is deemed by a court of competent jurisdiction to be more restrictive than permissible at law or equity, the Covenantors agree that the provisions hereof may be reformed and modified and enforced by such court to the maximum extent permissible under applicable law and principles of equity. Covenantors agree that specific performance and injunctive relief are necessary and appropriate remedies for violations of this Agreement and agrees to enforcement of such remedies, but without prejudice to the right of Franchisor to recover money damages, which are in no event a full and adequate remedy for such violations.

4. The Covenantors agree that the existence of any claim that any of them may have against Franchisor shall not constitute a defense to the enforcement by Franchisor of this Agreement or the covenants contained in Article 11 of the Franchise Agreement. In the event that Covenantors commence any action against Franchisor arising out of or related to this Agreement, or the dealings or relationship of the parties hereunder or otherwise, such action shall be brought only

in any state court of general jurisdiction sitting in the county and state, or in the United States District Court for the district, in which Franchisor has its principal place of business at the time any such action is instituted. Covenantors consent to the exercise of jurisdiction by such courts over any claims or counterclaims against Covenantors. In the event Franchisor incurs legal fees or costs or other expenses to enforce any obligation of Covenantors hereunder, or to defend against any claim, demand, action or proceeding by reason of Covenantors' failure to perform or observe any obligation imposed upon Covenantors by this Agreement, then Franchisor shall be entitled to recover from Covenantors the amount of all legal fees, costs and expenses, including reasonable attorneys' fees, whether incurred prior to, or in preparation for or contemplation of the filing of any claim, demand, action, or proceeding to enforce any obligation of Covenantors hereunder or thereafter or otherwise.

5. This Agreement and the documents provided for herein contain the entire agreement of the parties hereto with respect to the subject matter hereof and supersede all prior negotiations, agreements, and understandings with respect thereto, provided, however, that nothing in this Agreement or any related document is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document furnished to Franchisee. This Agreement may only be amended by a written document duly executed by all parties hereto. This Agreement shall be governed by and construed in accordance with the laws of the State of Missouri, without reference to the rules governing conflicts of law. This Agreement shall inure to the benefit of and shall be binding upon the respective successors, heirs, administrators, executors, personal representatives, trustees, and assigns of the parties hereto. This Agreement may be executed in multiple counterparts, each considered an original, but all of which shall constitute but one Agreement. Capitalized used herein but not defined shall have the meaning set forth in the Franchise Agreement between Franchisor and Franchisee.

IN WITNESS WHEREOF, the undersigned have executed this Agreement.

"Franchisor"	**"Recipient"** (each in their individual capacity)
Good News Franchise, LLC, a Missouri limited liability company	
______________________________	______________________________
BY: ______________________	NAME: ______________________
ITS: ______________________	
	______________________________
	NAME: ______________________

EXHIBIT H

ADDENDUM TO LEASE

This Addendum to Lease ("Addendum") entered into this _____ day of ________, 20__, by and between _____________________ ("Franchisee") and ___________________________ ("Landlord") for the premises located at __________________________;

WHEREAS, Franchisee has executed a Franchise Agreement ("Franchise Agreement") with Good News Franchise, LLC ("Franchisor"), and as part of said Franchise Agreement, the lease ("Lease") for the franchised Good News Brewing ("Restaurant") must contain certain provisions; and

WHEREAS, Landlord and Franchisee agree that the terms contained herein will be applicable to the Lease, notwithstanding anything contained in the Lease to the contrary;

NOW, therefore, in consideration of the mutual promises contained herein and the execution of the Lease, which execution is made simultaneously with this Addendum, Landlord and Franchisee hereby agree as follows:

1. Landlord agrees that Franchisee will not otherwise assign the Lease or renew, amend or extend the term of the Lease without the prior written consent of Franchisor.

2. Landlord agrees to furnish Franchisor with copies of any and all letters and notices sent to Franchisee pertaining to the Lease at the same time that such letters and notices are sent to Franchisee. Landlord further agrees that if it intends to terminate the Lease, the Landlord will give Franchisor 30 days' advance written notice of such intent, specifying in such notice all defaults that are the cause of the proposed termination. Franchisor will have after the expiration of the period during which Franchisee may cure such default, an additional 15 days (or if there is no cure period, at least 15 days) to cure, at its sole option, any such defaults. Franchisor, or an affiliate of Franchisor, will have the right, but not the obligation, upon giving written notice of its election to Franchisee and Landlord, to cure the breach and succeed to Franchisee's rights under the Lease, and any renewals or extensions thereof.

3. Upon default, expiration or termination of the Franchise Agreement or the Lease, and upon notice to Landlord, Franchisor or its designee will have the option, without however any obligation, to assume the Franchisee's obligations under the Lease, on the same terms and conditions available to Franchisee. Further, if Franchisee or any other party with an interest in Franchisee transfers to Franchisor or another party all of its or their interest in the Franchise Agreement, Franchisee or the Restaurant, the transferee will have the right to assume the Lease on the same terms and conditions as are contained in the Lease.

4. Franchisor will have the right to enter the premises to make any reasonable modification or reasonable alteration necessary to protect Franchisor's interest in its proprietary marks. Landlord agrees that in such event Franchisor will not be liable for trespass or any other crime or tort. Further, Franchisor or its designated agents will be permitted to enter the leased premises for purposes of making inspections in accordance with the terms of the Franchise Agreement.

5. Franchisee may assign to Franchisor all of its rights of further assignment at any time if the Landlord is given reasonable notice thereof. Such an assignment will be effective only if accepted in writing by Franchisor.

6. Upon request of Franchisor, the Landlord will provide Franchisor with copies of all reports, information, or data in Landlord's possession with respect to sales made from the leased premises.

7. Copies of any and all notices pertaining to the Lease will also be sent to Franchisor at the following address, or at such other address as may be designated by Franchisor in writing:

Good News Franchise, LLC
3 Pewter Court
O'Fallon, MO 63366

8. Franchisor will be a third-party beneficiary of this Addendum and has the right independently of Franchisee to enforce all of its rights hereunder.

9. To the extent of any conflict between the terms and conditions of this Addendum to Lease and the Lease, this Addendum will govern.

FRANCHISEE:	LANDLORD
____________________________	____________________________
By:_________________________	By:_________________________
Its:_________________________	Its:_________________________

EXHIBIT I

STATE ADDENDUM

[Insert State Addendum if applicable]

EXHIBIT E

STATE SPECIFIC AMENDMENTS TO FRANCHISE AGREEMENT

MULTI-STATE AMENDMENT
TO FRANCHISE AGREEMENT
(FOR THE FOLLOWING STATES: CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, WI)

This Amendment pertains to franchises sold in the state that have adopted as law the NASAA Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgements (the "SOP") and is for the purpose of complying with the statutes and regulations of such states. Signing this Amendment where none of the jurisdictional requirements of any state law adopting the SOP are met does not subject the parties to the provisions of the SOP, as set forth in this Amendment, or otherwise. If the law of a jurisdiction that has adopted the SOP applies, and only then, anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

Franchisor and Franchisee hereby agree that the Franchise Agreement dated ___________ _______, 20__, will be amended as follows:

1. The following language is added immediately before the signature block of the Franchise Agreement:

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

IN WITNESS WHEREOF, Franchisor and Franchisee have duly executed and delivered this Amendment as of the date set forth above.

Franchisor:	Franchisee:
GOOD NEWS FRANCHISE, LLC	______________________________
By: ______________________	By: ______________________
Name: ______________________	Name: ______________________
Its: ______________________	Its: ______________________
Date: ______________________	Date: ______________________

CALIFORNIA AMENDMENT
TO FRANCHISE AGREEMENT

This Amendment pertains to franchises sold in the State of California that are subject to the California Franchise Investment Law (the "Act") and is for the purpose of complying with California statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act, as set forth in this Amendment, or otherwise. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

Franchisor and Franchisee hereby agree that the Franchise Agreement dated ______________________, will be amended as follows:

1. The following language is added as new Section 21.3 of the Franchise Agreement:

> "No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise, except for the "Entire Agreement" provision in Section 20.1 of the Franchise Agreement."
>
> Notwithstanding anything to the contrary in this Agreement, and to the extent required by California Corporations Code Section 31512.1, any provision in this Agreement, the franchise disclosure document, and any other acknowledgement, questionnaire, or other writing, disclaiming or denying: (a) representations made by Franchisor or its personnel or agents to Franchisee before entering into the Franchise Agreement; (b) reliance by Franchisee on any representations made by Franchisor, or its personnel or agents; (c) reliance by Franchisee on the franchise disclosure document; or (d) violations of any other provision of the Act [that will be a reference to the California franchise law]; is void and will not be enforced by Franchisor."

IN WITNESS WHEREOF, Franchisor and Franchisee have duly executed and delivered this Amendment as of the date set forth above.

Franchisor:	Franchisee:
GOOD NEWS FRANCHISE, LLC	______________________________
By: ______________________	By: ______________________
Name: ______________________	Name: ______________________
Its: ______________________	Its: ______________________
Date: ______________________	Date: ______________________

ILLINOIS AMENDMENT
TO FRANCHISE AGREEMENT

This Amendment pertains to franchises sold in the State of Illinois that are subject to the Illinois Franchise Disclosure Act (the "Act") and is for the purpose of complying with Illinois statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Franchise Agreement dated _________________, _____, hereby agree that the Franchise Agreement will be amended as follows:

1. Illinois law shall supersede any provisions of the Franchise Agreement or Missouri law which are in conflict with the law.

2. Nothing in Section 20.2 of the Franchise Agreement waives any rights Franchisee may have under Section 41 of the Illinois Franchise Disclosure Act of 1987, which provides:

> "Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void. This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code."

3. Section 19.4 of the Franchise Agreement is amended to provide that venue shall be in an appropriate Illinois court of general jurisdiction or United States District Court in Illinois.

Dated: ________________________

Franchisor:	Franchisee:
GOOD NEWS FRANCHISE, LLC	____________________________________
By: ________________________	By: ______________________________
Name: ________________________	Name: ______________________________
Its: ________________________	Its: ______________________________

MARYLAND AMENDMENT
TO FRANCHISE AGREEMENT

This Amendment pertains to franchises sold in the State of Maryland that are subject to the Maryland Franchise Registration and Disclosure Law (the "Act") and is for the purpose of complying with Maryland statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

Franchisor and Franchisee hereby agree that the Franchise Agreement dated ___________. 20___, will be amended as follows:

1. The following language is added to Section 12.5 of the Franchise Agreement:

> ", except that the general release provisions shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law."

2. The following language is added to Section 3.2.H of the Franchise Agreement:

> ", except that the general release provisions shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law."

3. The following language is added to the end of Section 19.4 of the Franchise Agreement:

> "Franchisee may bring a lawsuit in Maryland for claims arising out of the Maryland Franchise Registration and Disclosure Law."

4. The following language is added to the end of Section 19.5 of the Franchise Agreement:

> "all claims arising under the Maryland Franchise Registration and Disclosure Law shall be commenced within three (3) years after the grant of the franchise."

5. The following language is added to Section 13.10.B of the Franchise Agreement:

> "Representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

IN WITNESS WHEREOF, Franchisor and Franchisee have duly executed and delivered this Amendment as of the date set forth above.

Franchisor:	Franchisee:
GOOD NEWS FRANCHISE, LLC	______________________________
By: ______________________	By: ______________________
Name: ____________________	Name: ____________________
Its: ______________________	Its: ______________________
Date: _____________________	Date: _____________________

MINNESOTA AMENDMENT
TO FRANCHISE AGREEMENT

This Amendment pertains to franchises sold in the State of Minnesota that are subject to the Minnesota Franchise Act (Minn. Stat. Sec. 80C.1 et seq., the "Act") and is for the purpose of complying with Minnesota statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Franchise Agreement dated _________________, _____, hereby agree that the Franchise Agreement will be amended as follows:

1. Section 11.2 of the Franchise Agreement is amended to add the following language.

   "The Minnesota Department of Commerce requires the Franchisor to indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the Franchisee's use of the tradename infringes trademark rights of the third party. Franchisor indemnifies Franchisee against the consequences of Franchisee's use of the tradename in accordance with the requirements of the license, and, as a condition to indemnification, Franchisee must provide notice to Franchisor of any such claims within ten (10) days and tender the defense of the claim to Franchisor. If Franchisor accepts the tender of defense, Franchisor has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim."

2. Section 14.1.D of the Franchise Agreement is amended to read as follows:

   "At the election of Franchisor, Franchisor may terminate the Agreement effective upon the expiration of 90 days after giving of written notice in the event Franchisee defaults, and does not cure to Franchisor's reasonable satisfaction within the 60-day notice period, in the performance of any other covenant or provision of this Agreement, including without limitation, the obligation to pay when due any financial obligation to Franchisor, the obligation to make reports and provide information when due hereunder, or failure to maintain any of the standards or procedures prescribed for the Franchised Brewery in this Agreement, the Manual or otherwise; provided, however, that Franchisee shall be entitled to notice and opportunity to cure any such default only once in any six month period, and any subsequent occurrence of the same or substantially similar default within such six month period shall entitle Franchisor, at its option, to terminate this Agreement effective immediately upon the giving of notice and without opportunity to cure."

3. Franchisor will protect the Franchisee's right granted hereby to use the Marks or will indemnify the Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Marks.

4. Section 14.1 of the Franchise Agreement is amended as follows:

> "With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that a Franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement."

5. Section 19.4 of the Franchise Agreement is amended as follows:

> "Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Franchise Disclosure Document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by laws of the jurisdiction."

6. Minn. Rule 2860.4400J. prohibits waiver of a jury trial. Accordingly, Section 19.4.A of the Franchise Agreement is amended as follows:

> "Nothing contained herein shall limit Franchisee's right to submit matters to the jurisdiction of the courts of Minnesota to the full extent required by Minn. Rule 2860.4400J."

7. Minn. Rule 2860.4400J. prohibits requiring a franchisee to consent to liquidated damages.

8. Section 19.5 of the Franchise Agreement is amended to add the following:

> "Any claims pursuant to Minn. Stat. Sec. 80C.17 may be commenced within the time period provided in Minn. Stat. Sec. 80C.17, subd. 5."

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Franchise Agreement as of the day and year set forth above.

Franchisor:	Franchisee:
GOOD NEWS FRANCHISE, LLC	______________________________
By: ______________________	By: ______________________
Name: ______________________	Name: ______________________
Its: ______________________	Its: ______________________
Date: ______________________	Date: ______________________

NEW YORK AMENDMENT
TO FRANCHISE AGREEMENT

This Amendment pertains to franchises sold in the State of New York that are subject to the New York Franchise Act (New York State General Business Law, Article 33, Sec. 680 et seq., the "Act") and is for the purpose of complying with New York statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Franchise Agreement dated _____________, ______, hereby agree that the Franchise Agreement will be amended as follows:

1. Franchisor and Franchisee are parties to that certain Good News Franchise, LLC Franchise Agreement dated _________________________, ___ that has been signed concurrently with the signing of this Amendment. This Amendment is annexed to and forms part of the Franchise Agreement. This Amendment is being signed because: (a) you are a resident of the State of New York and your Franchise will operate in New York; and/or (b) the offer or sale of the license occurred in New York.

2. The following is added as a new Section 14.6 of the Franchise Agreement:

> "Franchisee may terminate this Agreement upon any grounds available at law."

3. The following is added to Section 20.2 of the Franchise Agreement:

> "This section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the New York State General Business Law and the regulations issued thereunder."

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the day and year first above written.

Franchisor:	Franchisee:
GOOD NEWS FRANCHISE, LLC	________________________________
By: ________________________	By: ______________________________
Name: ______________________	Name: ____________________________
Its: ________________________	Its: ______________________________
Date: _______________________	Date: _____________________________

NORTH DAKOTA AMENDMENT
TO FRANCHISE AGREEMENT

This Amendment pertains to franchises sold in the State of North Dakota that are subject to the North Dakota Franchise Investment Law (the "Act") and is for the purpose of complying with North Dakota statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

The Franchise Agreement between __________________________ ("Franchisee" or "You") and _________________ ("Franchisor") dated as of _______________, 20__ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

NORTH DAKOTA LAW MODIFICATIONS

1. The North Dakota Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with North Dakota law, including the North Dakota Franchise Investment Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17 (1995). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. If the Franchisee is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Law, or a rule or order under the Law, such release shall exclude claims arising under the North Dakota Franchise Investment Law, and such acknowledgments shall be void with respect to claims under the Law.

b. Covenants not to compete during the term of and upon termination or expiration of the Agreement are enforceable only under certain conditions according to North Dakota Law. If the Agreement contains a covenant not to compete which is inconsistent with North Dakota Law, the covenant may be unenforceable.

c. If the Agreement requires litigation to be conducted in a forum other than the State of North Dakota, the requirement is void with respect to claims under the North Dakota Franchise Investment Law.

d. If the Agreement requires that it be governed by a state's law, other than the State of North Dakota, to the extent that such law conflicts with North Dakota Law, North Dakota Law will control.

e. If the Agreement requires mediation or arbitration to be conducted in a forum other than the State of North Dakota, the requirement may be unenforceable under the North Dakota Franchise Investment Law. Arbitration involving a franchise purchased in the State of North

Dakota must be held either in a location mutually agreed upon prior to the arbitration or if the parties cannot agree on a location, the location will be determined by the arbitrator.

f. If the Agreement requires payment of a termination penalty, the requirement may be unenforceable under the North Dakota Franchise Investment Law.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the North Dakota Franchise Investment Law, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its Owners acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on ___________________, 20___.

Franchisor:	Franchisee:
GOOD NEWS FRANCHISE, LLC	______________________________
By: ______________________	By: ______________________
Name: ______________________	Name: ______________________
Its: ______________________	Its: ______________________

RHODE ISLAND AMENDMENT TO FRANCHISE AGREEMENT

This Amendment pertains to franchises sold in the State of Rhode Island that are subject to the Rhode Island Franchise Investment Act (the "Act") and is for the purpose of complying with Rhode Island statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Franchise Agreement dated ____________, ____ hereby agree that the Franchise Agreement will be amended as follows:

1. Section 19-28.1-14 of the Rhode Island Franchise Investment Act, as amended by the laws of 1991, 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."

Dated: __________________, _____.

Franchisor:	Franchisee:
GOOD NEWS FRANCHISE, LLC	______________________________
By: _________________________	By: _________________________
Name: _________________________	Name: _________________________
Its: _________________________	Its: _________________________

VIRGINIA AMENDMENT
TO FRANCHISE AGREEMENT

This Amendment pertains to franchises sold in the State of Virginia that are subject to the Virginia Retail Franchising Act (the "Act") and is for the purpose of complying with Virginia statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Franchise Agreement dated ________________, ___, hereby agree that the Franchise Agreement will be amended as follows:

1. Section 14.1 of the Franchise Agreement is amended by adding the following language:

> "§13.1-564 of the Virginia Retail Franchising Act provides that it is unlawful for a franchisor to cancel a franchise without reasonable cause."

Dated: ________________________

Franchisor:	Franchisee:
GOOD NEWS FRANCHISE, LLC	____________________________________
By: ________________________	By: ______________________________
Name: ________________________	Name: ______________________________
Its: ________________________	Its: ______________________________

WASHINGTON AMENDMENT
TO FRANCHISE AGREEMENT

This Amendment pertains to franchises sold in the State of Washington that are subject to the Washington Franchise Investment Protection Act (the "Act") and is for the purpose of complying with Washington statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the License Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Franchise Agreement dated ____________, ____ hereby agree that the Franchise Agreement will be amended as follows:

1. The State of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement in your relationship with Franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with Franchisor including the areas of termination and renewal of your license.

2. In the event of a conflict of law, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

3. A release or waiver of rights executed by a Franchisee shall 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 the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

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

5. The undersigned hereby acknowledges receipt of this amendment.

Dated: __________________, _____.

Franchisor:	Franchisee:
GOOD NEWS FRANCHISE, LLC	______________________________
By: __________________________	By: __________________________
Name: ________________________	Name: ________________________
Its: __________________________	Its: __________________________

EXHIBIT F

TABLE OF CONTENTS – OPERATIONS MANUAL

EXHIBIT G

LIST OF FRANCHISEES

As of Issuance Date of the Franchise Disclosure Document:

NONE

EXHIBIT H

FRANCHISEES WHO LEFT THE SYSTEM OR HAVE NOT COMMUNICATED

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

The following franchisees left our system in our last fiscal year, or did not communicate with us within 10 weeks of the issuance date of this disclosure document:

NONE

EXHIBIT I

OPENING BALANCE SHEET

GOOD NEWS FRANCHISE, LLC

Balance Sheet
As of February 13, 2025

ASSETS

Current Assets

Bank Accounts

- Cash in Bank: **$100.00**
  Total Bank Accounts: **$100.00**

Accounts Receivable

- Accounts Receivable: **$0.00**
  Total Accounts Receivable: **$0.00**

Other Current Assets

- Startup Expenses: **$0.00**
- Undeposited Funds: **$0.00**
  Total Other Current Assets: **$0.00**

Total Current Assets: **$100.00**

Fixed Assets

- Equipment: **$0.00**
- Leasehold Improvements: **$0.00**
- Accumulated Depreciation: **$0.00**
  Total Fixed Assets: **$0.00**

Other Assets

- Organizational Expenses: **$0.00**
- Rent Deposit: **$0.00**
  Total Other Assets: **$0.00**

TOTAL ASSETS: **$100.00**

LIABILITIES AND EQUITY

Liabilities

Current Liabilities

Accounts Payable

- Accounts Payable: **$0.00**
  Total Accounts Payable: **$0.00**

Credit Cards

- Business Credit Card: **$0.00**
  Total Credit Cards: **$0.00**

Other Current Liabilities

- **Due to Good News Brewing, LLC**: **$100.00**
- Sales Tax Payable: **$0.00**
- Payroll Liabilities: **$0.00**
  Total Other Current Liabilities: **$100.00**

Total Current Liabilities: **$100.00**

Long-Term Liabilities

- Business Loans: **$0.00**
  Total Long-Term Liabilities: **$0.00**

Total Liabilities: **$100.00**

Equity

- **Daniel J. Tripp Equity**: **$0.00**
- **Matthew R. Fair Equity**: **$0.00**
- Retained Earnings: **$0.00**
- Net Income: **$0.00**
  Total Equity: **$0.00**

TOTAL LIABILITIES AND EQUITY: **$100.00**

Unaudited Financial Statements

These Financial Statements Have Been Prepared Without An Audit. Prospective Franchisees or Sellers of Franchises Should Be Advised That No Independent Certified Public Accountant Has Audited These Figures or Expressed an Opinion with Regard to their Content or Form.

None required.

EXHIBIT J

CONFIDENTIALITY AGREEMENT

CONFIDENTIALITY AGREEMENT

THIS CONFIDENTIALITY AGREEMENT (the "Agreement") is made and entered into as of the ______ day of ________________, 20__ by and between __________________________ ("Recipient"), and Good News Franchise, LLC, a Missouri limited liability company ("Franchisor").

A. Recipient desires to review certain confidential and proprietary information regarding Franchisor, its affiliates, and/or its franchisees (collectively the "Disclosing Parties"), for the purpose of evaluating whether to directly or indirectly enter into a business relationship with Franchisor (the "Contemplated Relationship"); and

B. Franchisor desires to disclose certain confidential and proprietary information to Recipient, but only pursuant to the terms of this Agreement.

In consideration of the covenants and premises herein contained, and for other good and valuable consideration received, it is hereby agreed as follows:

1. Recipient acknowledges and agrees that all Covered Information (defined below) it receives from Franchisor, its affiliates, or franchisees is confidential and proprietary information. For purposes of this Agreement, "Covered Information" includes, by way of example, but without limitation, data, know-how, processes, designs, sketches, photographs, plans, drawings, specifications, reports, financial information, customer lists, pricing information, other information about advertising, marketing, designs and methods of operation, studies, findings, inventions, and ideas. Recipient agrees that any information received from Franchisor, its subsidiaries, affiliates, or franchisees (a) shall only be used for purposes of evaluating whether Recipient desires to directly or indirectly enter into a business relationship with Franchisor, and (b) shall not be disclosed to any third party without the prior written consent of Franchisor. Recipient agrees to use reasonable care to prevent the disclosure of the Covered Information to any third party, and further agrees to limit the dissemination of the Covered Information within its own organization to individuals whose duties justify the need to know such information, and then only provided that there is a clear understanding by such individuals of their obligation to maintain the confidential status of the Covered Information and to restrict its use solely to the purposes specified herein.

2. All Covered Information remains the exclusive property of Franchisor or the Disclosing Parties, and nothing contained in this Agreement may be construed as a grant, express or implied or by estoppel, of a transfer, assignment, license, or lease of any right, title, or interest in the Covered Information, other than as the limited right of use stated herein. Recipient agrees that the amount of Covered Information to be disclosed to Recipient is completely within the discretion of Franchisor. Nothing in this Agreement requires either party or its owners to enter into the Contemplated Relationship or to negotiate a Contemplated Relationship for any specified period of time or otherwise.

3. The Parties agree that notwithstanding the termination of this Agreement, the Recipient's obligations hereunder will survive for five (5) years after the Effective Date. If either party determines that it does not wish to proceed with a Contemplated Relationship or if either party notifies the other party of a termination of this Agreement, then Recipient will destroy or return all written materials, documents, or other Covered Information received from Franchisor, its affiliates, subsidiaries, or franchisees, or any notes, photos, or derivatives works thereof. Additionally, the Recipient will certify to Franchisor in writing that it has complied with the obligations of this Section.

4. Recipient shall be under no obligation under this Agreement with respect to any information (a) which is, at the time of the disclosure, available to the general public; (b) which becomes at a later date available to the general public through no fault of the Recipient and then only after said date; or (c) which Recipient can demonstrate was in its possession before receipt.

5. The definition in Section 1 of Covered Information is for illustrative purposes only. The Recipient of the Cover Information must perform its own due diligence when evaluating the Contemplated Relationship, and Franchisor or other Disclosing Parties will not be liable for the Recipient's failure to do so. Recipient must rely solely on its own investigation and not on information provided by Franchisor.

6. Franchisor does not guarantee or warranty the accuracy or completeness of the Covered Information. Some Covered Information may have been obtained or gathered by third parties and Franchisor has not performed any independent investigation or verification of such Covered Information. The Covered Information is being provided on an "AS IS" "WHERE IS" basis and Franchisor does not make and specifically disclaims any representations, warranties, promises, covenants, agreements or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, including, without limitation, warranties of merchantability, fitness for a particular purpose, non-infringement or intellectual property rights or other warranties, conditions, guarantees or representations, whether express or implied.

Any financial information included in the Covered Information is not a guarantee or otherwise indicative of potential success, profitability, or any particular level of return from the Contemplated Relationship, if consummated. Many factors would impact the success and profitability of the Contemplated Relationship, including without limitation site selection, local economic conditions (which conditions may change over time), and the Recipient's business acumen, management skill, and experience.

The Covered Information does not constitute an offer to become a franchisee or to sign any agreement or an offer to enter into the Contemplated Relationship. Entering the Contemplated Relationship will be subject to, among other things, the execution of a franchise agreement and certain other collateral agreements and the payment of certain fees. Franchisor's provision of the Covered Information, and the Recipient's acceptance of it, does not obligate either party to enter into the Contemplated Relationship.

7. This Agreement will be governed and construed in accordance with the laws of the State of Missouri, excluding its conflicts of law principles. Any legal action or proceeding arising out of or related to this Agreement must be brought in a state or federal court in [county, state]. Each party submits itself to the jurisdiction of such courts. However, a party may seek to enforce an order or judgment of any such court in any other court of competent jurisdiction.

8. This Agreement constitutes the entire agreement and understanding among the parties hereto and shall not be amended except pursuant to a written agreement executed by each of the parties hereto. This agreement shall be binding upon the parties hereto and their respective heirs, administrators, successors, and assigns. This Agreement may be signed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

Recipient:	Franchisor:
	GOOD NEWS FRANCHISE, LLC
______________________________	By: ______________________________
Print Name: ____________________	Name: ______________________________
Position with Franchisee: ____________	Its: ______________________________

EXHIBIT K

GENERAL RELEASE

[If only the Franchisee is signing the Release, the language in bold and brackets referring to the Owner(s) should be deleted. If both Franchisee and its Owner(s) are signing the Release, the above referenced language should be left in the release, but should be taken out of the brackets and the bold type should be replaced by normal type.]

GENERAL RELEASE

This GENERAL RELEASE ("Release") is made this ______ day of _____________, ____, by ______**[Name of franchisee]**______ ("Franchisee"), **[and ______[Name of owner(s)**, **("Owner(s)")]**, with reference to the following facts:

The undersigned Franchisee is a signatory to that certain Franchise Agreement dated _______________, ____ ("Franchise Agreement") by and between Good News Franchise, LLC ("Franchisor") and Franchisee granting Franchisee the right to use the Franchisor's System and trademarks to operate the Franchised Brewery at a specific location.

[The undersigned Owner is an owner of the Franchisee.]

Franchisee **[and Owner each]** agrees that all capitalized terms in this Release shall have the meaning that is ascribed to them in the Franchise Agreement. This Release is being executed by the Franchisee **[and the Owner]** pursuant to the requirements of the Franchise Agreement. Franchisee **[and Owner each]** understands and agrees that execution of this Release is a condition of Franchisee's rights under the Franchise Agreement **[to renew the Franchise Agreement] [to transfer the Franchise Agreement]** and that Franchisee's **[or Owner's]** failure or refusal to execute this Release would result in Franchisee's breach of the Franchise Agreement. In consideration of the rights granted by the Franchise Agreement, Franchisee **[and Owner each]** executes this Release for the benefit of Franchisor.

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS ACKNOWLEDGED, FRANCHISEE **[AND OWNER EACH]** AGREES AS FOLLOWS:

1. General Release. Franchisee **[and Owner each]** hereby releases and forever discharges Franchisor and its members, managers, officers, directors, owners, principals, managers, employees, affiliates, successors and assigns (collectively the "Released Parties"), from any and all claims, demands, obligations, liabilities, actions, causes of action, suits, proceedings, controversies, disputes, agreements, promises, allegations, costs and expenses, at law or in equity, of every nature, character or description whatsoever, whether known or unknown, suspected or unsuspected or anticipated or unanticipated, which Franchisee **[or Owner]** ever had, now has, or may, shall or can hereafter have or acquire (collectively referred to as "Claims"). This Release includes, but is not limited to, all Claims arising out of, concerning, pertaining to or connected with the Franchise Agreement, any other agreement, tort, statutory violation, representation, nondisclosure, act, omission to act, fact, matter or thing whatsoever, occurring as of or prior to the date of this Release, so that after the date of this Release, **[neither]** Franchisee **[nor Owner]** shall have any Claim of any kind or nature whatsoever against the Released Parties, directly or

indirectly, or by reason of any matter, cause, action, transaction or thing whatsoever done, said or omitted to have been done or said at any time prior to the date of this Release.

2. Waiver of Rights. This Release is intended by Franchisee [and Owner] **to be a full and unconditional general release and to constitute a full, unconditional and final accord and satisfaction, extending to all Claims of any nature, whether or not known, expected or anticipated to exist in favor of Franchisee** [or Owner] **against the Released Parties regardless of whether any unknown, unsuspected or unanticipated Claim would materially affect settlement and compromise of any matter mentioned herein. Franchisee** [and Owner each]**, for itself, himself or herself, hereby expressly, voluntarily and knowingly waives, relinquishes and abandons each and every right, protection and benefit to which Franchisee** [or Owner, as the case may be] **would be entitled, now or at any time hereafter under the statutory or common law of the state where the Franchised Brewery is located, whether now or hereinafter existing under the laws of the state where the Franchised Brewery is located, or any other applicable federal and state law with jurisdiction over the parties relationship.**

[ALTERNATE PROVISION FOR CALIFORNIA FRANCHISEES ONLY]

3. Waiver of Civil Code Section 1542. This Release is intended by Franchisee **[and Owner]** to be a full and unconditional general release and to constitute a full, unconditional and final accord and satisfaction, extending to all Claims of any nature, whether or not known, expected or anticipated to exist in favor of Franchisee **[and Owner]** against the Released Parties regardless of whether any unknown, unsuspected or unanticipated Claim would materially affect settlement and compromise of any matter mentioned herein. Franchisee **[and Owner each]** hereby expressly, voluntarily and knowingly waives, relinquishes and abandons each and every right, protection and benefit to which Franchisee **[or Owner, as the case may be]** would be entitled, now or at any time hereafter under Section 1542 of the Civil Code of the State of California, as well as under any other statutes or common law principles of similar effect to Section 1542, whether now or hereinafter existing under the laws of California, or any other applicable federal and state law with jurisdiction over the parties' relationship. Franchisee **[and Owner each]** acknowledges that Section 1542 of the Civil Code of the State of California provides as follows:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially effected his settlement with the debtor."

In making this voluntary express waiver, Franchisee **[and Owner each]** acknowledges that Claims or facts in addition to or different from those which are now known or believed to exist with respect to the matters mentioned herein may later be discovered and that it is the intention of Franchisee **[and Owner, respectively]** to hereby fully and forever settle and release any and all matters, regardless of the possibility of later discovered Claims or facts. This Release is and shall be and remain a full, complete and unconditional general release. Franchisee **[and Owner each]** acknowledges and agrees that the foregoing waiver of Section 1542 is an essential, integral and material term of this Release.

4. Release Not Admission. Franchisee **[and Owner each]** understands and agrees that the giving or acceptance of this Release and the agreements contained herein shall not constitute or be

construed as an admission of any liability by Franchisor or an admission of the validity of any Claims made by or against Franchisor.

5. Authority of Parties. Each person executing this Release on behalf of a party hereto warrants and represents that he or she is duly authorized to execute this Release on behalf of such party.

6. No Prior Assignments. Franchisee **[and Owner each]** represents and warrants that Franchisee **[and Owner]** has not previously assigned or transferred, or attempted to assign or transfer, to any third party any of the Claims which are the subject of this Release, all of such Claims being released.

7. Incorporation by Reference. The parties hereby incorporate the recitals of this Release as part of the substantive provisions of this Agreement.

8. Controlling Law. This Release shall be governed, construed and interpreted in accordance with the substantive laws of the state where the Franchised Brewery is located.

IN WITNESS WHEREOF, Franchisee **[and Owner each]** has executed this Release on the date first shown above.

Franchisee:	**[Owner:**
______________________________	______________________________ **(Signature)**
By: __________________________	______________________________ **(Print Name)]**
Name: __________________________	
Its: __________________________	

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:

California	Not registered
Hawaii	Not registered
Illinois	Pending
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

RECEIPT PAGES

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Good News Franchise, 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 requires 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 requires 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 Good News Franchise, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The franchisor is Good News Franchise, LLC, located at 3 Pewter Court, O'Fallon, MO 63366. Its telephone number is 314-608-2903.

The franchise seller is Dan Trip, located at 3 Pewter Court, O'Fallon, MO 63366 whose telephone number is 314-608-2903; or it is ____________, located at ______________________ whose telephone number is ____________________.

The issuance date is February 17, 2025. The state effective dates are on an exhibit preceding this Receipt.

Good News Franchise, LLC authorizes the respective state agencies identified on Exhibit B to receive service of process for it in the particular state.

I have received a disclosure document dated February 17, 2025 that included the following Exhibits:

A. List of State Administrators
B. Agents for Service of Process
C. State Addenda to FDD
D. Franchise Agreement, including Owner's Guaranty
E. State Specific Amendments to Franchise Agreement
F. Table of Contents of Operations Manual
G. List of Franchisees
H. Franchisees Who Left System or Have Not Communicated
I. Financial Statements
J. Confidentiality Agreement
K. General Release

Date: ___________________________

____
Prospective Franchisee Signature
Print Name: ___________________________
Address: ___________________________
____
Individually and as ______________________
of ______________________________________

(Sign, Date and Return to Us)

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Good News Franchise, 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 requires 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 requires 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 Good News Franchise, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

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G. List of Franchisees
H. Franchisees Who Left System or Have Not Communicated
I. Financial Statements
J. Confidentiality Agreement
K. General Release

Date: ___________________________

____
Prospective Franchisee Signature
Print Name: ___________________________________
Address: ______________________________________
____
Individually and as ____________________________
of ____

(Sign, Date and Return to Us)