Franchise Disclosure Document
(Maryland)

Hoppin Franchise Group, LLC
a North Carolina limited liability company
1402 Winnifred Street
Charlotte, NC 28203
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The franchise offered is for the operation of a Hoppin'™ Taproom and bar that offers alcohol containing beverages, particularly local, national and international beers and wines, provided on a self-service / self-pour method via multiple taps, at a specific location. The total investment necessary to begin operation of a Hoppin'™ franchised business ranges from $764,545 to $1,261,045. This includes $67,995 that must be paid to the Franchisor or 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 fourteen (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:

Richard Moyer
Hoppin Franchise Group, LLC
1402 Winnifred Street
Charlotte, NC 28203
(704) 310-1535

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 entire contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

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

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

Issuance Date: April 1, 2023

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

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 North Carolina. 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 North Carolina than in your own state.

2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement event though your spouse has no ownership interest in the franchise. This guarantee will place both you and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

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

4. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

5. **Mandatory Minimum Payments.** You must take advertising payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

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

Franchise Disclosure Document

Hoppin Franchise Group, LLC

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ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS & AFFILIATES

The Franchisor is Hoppin Franchise Group, LLC, a North Carolina limited liability company, doing business as "Hoppin'™." For ease of reference, Hoppin Franchise Group, LLC will be referred to as "we," "us," "our," "Hoppin'" or "Franchisor" in this Disclosure Document. We will refer to the person or entity who buys the franchise as "you," "your," or "Franchisee" throughout this Disclosure Document. If you are a corporation or limited liability company, partnership or other entity, certain provisions of the Franchise Agreement also apply to your shareholders, members, partners or owners and will be noted. Any such entity may be referred to as an "Entity" and those who own the Entity may be referred to as "Owners."

We are a North Carolina limited liability company, organized on May 20, 2021 and our name is "Hoppin Franchise Group, LLC" and may also use the name "Hoppin'." Our principal business address is 1402 Winnifred Street, Charlotte, North Carolina, 28203. We operate and sell franchises for the operation of a bar / beverage service provider known as "Hoppin'™" (the "Franchise," "Business," "Taproom," or "Franchised Business"). We grant to persons or entities which meet our qualifications, and who are willing to undertake the investment and effort, the right to open and operate a Franchise at a specific location in accordance with our then current franchise agreement, a copy of which is attached to this disclosure document as Exhibit A ("Franchise Agreement") for the development and operation of a facility which serves alcohol containing beverages, particularly local, national and international beers and wines, provided on a self-service / self-pour method via multiple taps, and other methods of service, at the Business location, as well as non-alcohol beverages, such as carbonated drinks, teas and bottled water, at a specific location, which is within a protected territory. This is the first time we have offered franchises of the type described in this Disclosure Document and we have never offered franchises in any other line of business. Our agents for service of process are disclosed in Exhibit B.

Our Parents, Predecessors and Affiliates:

We have no parents. We have no predecessors. There are two (2) affiliated operating business that offers similar products and services to a Hoppin'™ as further described below.

Our affiliate, Hoppin, LLC, ("Hoppin CLT") owned by Hoppin Investment Group, LLC, is a North Carolina limited liability company that was formed on March 31, 2017 and began operations in November 2017. Hoppin CLT's physical address is 1402 Winnifred Street, Charlotte, North Carolina, 28203 and operates a business substantially similar to the Franchise Business offered by us. We and Hoppin CLT are independent entities, and Hoppin CLT does not assume any of our legal or other obligations, or us of theirs. Our affiliate, Hoppin Greenville, LLC ("Hoppin Greenville") owned by Hoppin Investment Group, LLC, is a North Carolina limited liability company that was formed on June 15, 2018 and began operations in March 2021. Hoppin Greenville's physical address is 118 N. Markley Street, Suite 102, Greenville, South Carolina 29601 and operates a business substantially similar to the Franchise Business offered by us. We and Hoppin Greenville are independent entities, and Hoppin Greenville does not assume any of our legal or other obligations, or us of theirs. None of our affiliates has offered or currently offers franchises in any line of business or provides products or services to our Franchisees.

Our Business and the Franchise Offered:

Hoppin'™ is a system developed for the establishment and operation of a taproom featuring the serving of alcohol containing beverages, particularly local, national and international beers and wines,

provided on a self-service / self-pour method via multiple taps, and other methods of service, as well as non-alcohol beverages, such as carbonated drinks, teas and bottled water under various trademarks (the "Marks" and each a "Mark"). This business operates year-round and is typically located within shopping centers or free-standing structures and can also be operated out of non-traditional locations like hotels, airports, casinos, train stations, universities, stadiums, arenas, theme parks, military installations or convenience stores (all of which must be approved by us). Each Hoppin'™ Franchise will offer a range of seating options to accommodate a wide range of potential customers who will be able to choose and pour their own alcoholic beverages for consumption based on an electronic authorization and tracking system. We may authorize the sale of additional products and services in the future such as: catering services, group fundraising events, promotional events, beer and wine, limited retail merchandise and other food and beverage related products and services approved by us.

Competition includes local and national food and beverage establishments as well as those operated by national chains, local chains, independent operators and to some extent grocery stores that sell various products similar to what is found in a Hoppin'™ location. The market for the type of beverage offerings offered by a Hoppin'™ location is developed and highly competitive, as is the market for obtaining locations in qualified shopping centers, free-standing structures, non-traditional locations or other similar buildings with a captive market customer base. Generally, there is no seasonality to this business. The restaurant and bar industry is highly competitive throughout the United States as the market is continuously changing and evolving. We plan controlled expansion into areas that we determine can support a Hoppin'™ business to improve name recognition and our reputation through franchised businesses.

Hoppin'™ locations are characterized by our: distinctive, unique and recognizable exterior and interior layout, content, décor, color scheme, menu boards and custom furnishings and signage; various menu items, procedures and methods; service standards, uniformity of all products (including menu items) and services used and offered, product presentation standards, procedures for sanitation and storage; specifications for all products and equipment, procedures for purchasing all products and equipment, relationships with vendors and suppliers, tracking inventory and cost controls; guidelines for hiring, training and retaining employees; specific operational procedures to enhance efficiencies, marketing programs, sales, advertising and marketing materials; administrative and record keeping procedures; a franchise web page housed within our national website, our confidential and proprietary operations manuals ("Operations Manual," "Manuals" or "Operating Manuals") and other manuals which are made available either in hard copy or electronically; all of which may be changed, improved and further developed by us periodically (collectively, the "System").

We may decide to offer a program in the future whereby Franchisees can receive a flat referral fee of $2,500 in cash, services or product credit for referring a third-party franchise prospect to us, who ultimately becomes a Hoppin'™ franchisee. You are authorized only to present a prospect with our informational brochure and to identify the prospect to our company franchise sales staff. You are not authorized to act as our agent or franchise broker and are not instructed to provide any information to prospects other than our informational brochure. If you are entitled to receive a referral fee, notice will be given to the prospective franchisee receiving the Disclosure Document, together with the same type of information reported in Item 2 and Item 3 of this Disclosure Document. We retain the right in our sole discretion to modify or terminate this referral program at any time with or without notice. The factors concerning our decision to start, modify, or terminate the referral program include the number of franchises that we sell, the number of referrals that we receive from current franchisees, and the quality of referrals that we receive from current franchisees.

Laws and Regulations:

You should be aware that food products may be subject to the Pure Food and Drug Act, as well as Food and Drug Administration (FDA) and Department of Agriculture regulations. The FDA and Department of Agriculture in addition to state and local health departments administer and enforce laws and regulations that govern service and sanitary conditions. You must comply with consumer protection laws and regulations concerning preparation, handling and storage, "Truth in Menu" concerning menu item names, product content, labeling and nutritional claims. State and local agencies inspect restaurants and food and beverage establishments in general to ensure that they comply with such laws and regulations. Food and Drug laws as well as the FDA and Department of Agriculture regulations concerning the offering, preparation and service of products may change. Also, the Federal Trade Commission, and the State Attorney Generals prohibit the making of any unfair or deceptive claims concerning the healthiness of certain consumable items. Some state and local governments have adopted or are considering adopting laws that regulate indoor air quality, including laws that ban smoking of tobacco products and electronic cigarettes in public places like food and beverage establishments. Additionally, the Menu Labeling Provisions of Patient Protection and Affordable Health Care Act require that certain restaurants and food and beverage establishments post calorie information on menus, menu boards, and to provide additional written information to consumers upon request.

Your Hoppin'™ Taproom will be subject to various Federal, state and local government regulations, licensing and requirements including those relating to site location, zoning ordinances, and building construction (such as the Americans with Disabilities Act); safety, health and consumer protection laws and regulations. Some states may require that you obtain real estate permits, business, occupational, food product and other miscellaneous licenses. We do not assume any responsibility for advising you on such regulatory matters.

We recommend that before signing the Franchise Agreement, you engage an attorney or other professional advisor to assist you in both determining what laws, ordinances and regulations may affect your establishment and/or operation of a Hoppin'™ Taproom, and in complying with them. You are responsible for obtaining all certifications, licenses, permits and inspections required to operate your Taproom. It is your sole responsibility to keep in force all necessary licenses and permits, to investigate, satisfy and remain in compliance with all local, state and Federal laws, since they vary from place to place and can change over time. We recommend that you consult with your attorney for an understanding of all the laws applicable to your specific Hoppin'™ Taproom.

We have not offered franchises in other lines of business in the past. We do not engage in any business other than the offer of franchises.

ITEM 2
BUSINESS EXPERIENCE

Chief Executive Officer: Richard Moyer. Richard Moyer is the co-founder and Chief Executive Officer of Hoppin Franchise Group, LLC, and he has served as our Chief Executive Officer since our formation on May 20, 2021. Mr. Moyer is also a co-owner of R M B Investments, Inc., d/b/a Two Scoops Creamery ("Two Scoops"), an unrelated business to Franchisor located in Charlotte, North Carolina, and has been serving as its CEO since April 2016.

Director of Operations: Adam Mann. Adam Mann is the Director of Operations of Hoppin Franchise Group, LLC, and he has served in that position since our formation on May 20, 2021. From April 2019 to May 2021, Mr. Mann worked for a different restaurant concept owned by Mr. Moyer in Charlotte, North

Carolina, called Pinhouse. From 2015 to 2019, Mr. Mann was the Training Coordinator in Charlotte, North Carolina, for 32 Denny's locations.

Franchise Development Manager: Zach Munroe. Zach Munroe is the Franchise Development Manager of Hoppin Franchise Group, LLC, and he has served in that position since August 2022. Mr. Munroe is also the Vice President of Growth for SBN International Corp. in Charlotte, North Carolina and has been serving in that capacity since November 2020. From January 2018 to July 2020, Mr. Munroe managed the growth and real estate for Burn Boot Camp in Charlotte, North Carolina.

Director of Marketing and Public Relations: Scotty Kent: Scotty Kent is the Director of Marketing of Hoppin Franchise Group, LLC, and has served in that capacity since our formation on May 20, 2021. Mr. Kent has also been serving as the Director of Marketing for our affiliate, Hoppin, LLC, and Hoppin Investment Group, LLC, in Charlotte, North Carolina, since December 2018. From December 2016 to December 2018, Mr. Kent was the marketing lead and then the Marketing Director for the Unknown Brewing Company in Charlotte, North Carolina.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

The Initial Franchise Fee for a single area Franchise ("Initial Franchise Fee") is $59,995 for Hoppin'™ Taproom in a protected area. The protected area of a Franchise is determined once a specific location is identified and approved by us. At the time you sign your Franchise Agreement or at any time you are in good standing under your Franchise Agreement, you may be offered the opportunity to purchase additional franchises for $39,995.

The Initial Franchise Fee is paid in a lump sum at the time the Franchise Agreement is signed and is deemed fully earned and nonrefundable upon payment per the terms of the Franchise Agreement as applicable except as provided in Item 5. A pre-opening marketing fee (the "Pre-Marketing Fee") is $4,000 per month and is required to be paid for the two (2) months prior to the intended opening date, hence, $8,000 total, to be paid in full on or before the sixtieth (60^{th}) day prior to the originally intended opening date; provided that in the event the opening date is extended, you will pay a pro-rated amount of the Pre-Marketing Fee based on the number of days the opening date is extended. The Pre-Marketing Fee is deemed fully earned and nonrefundable upon payment per the terms of the Franchise Agreement.

We may offer you an option ("Option") to be awarded a Hoppin'™ Franchise, on the terms set forth in the Option Agreement attached as Exhibit F. Under the Option Agreement, you have six months (the "Option Term") to enter into a Franchise Agreement for your first Franchised Business or for additional Franchise Businesses. In exchange for the Option, you pay a nonrefundable fee of $10,000 ("Option Fee") that: (i) will be credited toward the Initial Franchise Fee if you exercise the option to purchase an initial franchise during the six-month Option Term or (ii) will be credited toward the

franchise fee for an additional franchise if you exercise your option to buy an additional franchise during the six-month option term following the purchase of the Option to buy an additional franchise. The Franchise Fee upon exercise of an Option will be the same as the Initial Franchise Fee without an Option unless it is an additional franchise in which case it is $39,995. Whether you buy an initial franchise or an additional one, you must complete the purchase during the Option Term of the Option Agreement.

The Initial Franchise Fee, Option Fee, and Pre-Marketing Fee are not refundable and are payable in full when you sign the Franchise Agreement or Option Agreement, as applicable, except as provided in Item 11. In certain states, as required by state authorities based on a review of our financial statements, we will defer our receipt of the Initial Franchise Fee and all other initial payments until we have met our initial obligations to you; see state addenda in Exhibit D.

We have established a program for qualified veterans of the United States who have been honorably discharged to receive a discount of 10% off the Initial Franchise Fee when purchasing a franchise. This program does apply to additional franchises / franchised units. We retain the right in our sole discretion to modify or terminate this veteran discount program at any time with or without notice. The factors concerning our decision to modify or terminate the veteran discount program include the number of franchises that we sell, the number of veterans interested in purchasing a franchise and the quality of veteran applicants that we receive.

ITEM 6
OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty Fee	5% of Gross Revenues per month starting immediately once the Taproom is open for operation.	Due by the 5th day of each month for the previous month.	See Note 1.
System Advertising Fee	2% of Gross Revenues per month starting immediately after the opening of the Taproom for operation.	Due by the 5th day of each month for the previous month.	We may increase this fee upon ninety (90) days' written notice to you. However, your total contribution will not exceed 3% of Gross Revenue per month in any calendar year. See Note 2 and Item 11.
Local and Social Media Advertising / Website	$4,000 per month starting immediately once your Taproom is open for operation. This includes $1,000 which we will spend on your behalf for your local advertising requirement. Your first month will be pro-rated taking into account when you open for operation.	Paid by you to us and expended by us to promote your Taproom locally at the same time as your Royalty Fee payment.	See Note 3 and Item 11.
Interest and Late Charges	1.5% per month or maximum rate allowed by law, plus $25 provided the interest rate cannot exceed the maximum legal rate.	After due date of fees.	See Note 4.

Type of Fee	Amount	Due Date	Remarks
Additional Training	$1,500 per person per day or costs of third party charges. You are responsible for all room, board and travel expenses.	At time training is scheduled and/or additional assistance is requested by you.	While the Initial Franchise Fee includes the cost of our initial training program, the Initial Franchise Fee only covers training for up to three individuals. See Item 11. Additionally this fee is applicable to the transferee upon an approved transfer of the Franchise for the initial training program and additional training.
Audit Expenses	Cost of Audit Fees plus interest @ 18% per annum (1.5% per month) up to the maximum interest rate allowed by law.	Ten (10) days after receipt of audit report.	Payable to us if you understate Gross Revenues by 2% or more. We expect the cost to be between $3,500- $6,500 unless your financial records are not well kept.
Costs and Attorney's Fees	Will vary under circumstances.	As Incurred.	Payable as incurred by us in obtaining injunctive relief or the enforcement of any item of the Franchise Agreement.
Indemnification	Will vary under circumstances.	On Demand.	As incurred; See Note 5.
Technology Fee	Currently $165-$300 per month for usage of POS software and ongoing support. Currently $750 per month for Pour My Beer software fee.	Monthly.	Payable to us, our affiliates and/or approved vendors. See Note 6.
Music Subscription Fees	Currently $100-$500 per month to subscribe to a ASCAO, BMI, SESAC music service. Currently, $15-$35 per month to subscribe to Spotify.	Monthly.	Payable to us, our affiliates or approved vendors. See Note 7.
Security Alarm Fees	Currently $50-$100 per month for security alarm monitoring services.	Monthly.	Payable to our approved vendors See Note 8.
Laundry Service Fees	Currently $700-$1,200 per month for professional laundry services and other supplies.	Monthly.	Payable to approved vendors. See Note 9.
Inspection Fee	$2,500 if you fail to pass an inspection for the second time.	On Demand.	Payable to us See Note 10 and Item 8.

Type of Fee	Amount	Due Date	Remarks
Renewal Fee	A flat $2,500 for each Franchise.	At the time of the ten-year renewal period for each franchise.	For the same protected area.
Transfer Fee	A flat fee of $2,500 when you transfer a part (less than 49% of all the assets) of the Business or a flat fee of $10,000 when you transfer all of the Business (more than 49%). If transferee came from our lead database, you may be required to pay the then-current referral fee to us plus any costs associated with applicable broker fees.	At the time the transferee signs the Franchise Agreement in effect for transfer or sale.	Payable to us when the Franchise Agreement is signed or a material portion of the assets in the business is transferred.
Product, Vendor and Equipment Testing Fee	Up to $200 per product or vendor, $500 for equipment testing plus our expenses if we travel to test such equipment or our actual costs incurred.	On Demand.	See Note 11.
Resale Fee	Varies.	On Demand.	If you ask and we agree to assist you in finding a buyer for your Business, you pay us a fee to cover our costs and expenses, including time committed by our personnel.
Temporary Management	Actual Costs.	On Demand.	Upon death or disability, a manager who completed our training, must be employed to operate the Taproom. If not done, we can appoint a manager for up to ninety (90) days, renewable up to one year. All expenses, including manager compensation, travel and living expenses will be charged against operating revenues. We also charge against those revenues, the amount of our expenses.
Conference Fee	Conference fee, travel, transportation, lodging, meals and incidental expenses in addition to compensation of the people you send to any conferences. Will vary under circumstances. There will be a registration fee for conferences not to exceed $500 per person although we will attempt to keep the cost down so it does not exceed our cost.	As Incurred.	As Incurred and payable to third parties and us.

Type of Fee	Amount	Due Date	Remarks
Refresher Training and/or Continuing Education	Will vary under circumstances. Refresher or continuing education is estimated not to exceed $200 per person per day plus your travel expenses or our expenses if we come to your location.	As Incurred.	The location for refresher training and/or continuing education will be at our headquarters although we reserve the right to provide them over the Internet or phone. There may be an annual conference for all franchisees to attend and other conferences as needed. See Item 11, (14iv) for more detail.

Except as stated above, you pay all fees to us and they are uniformly imposed. All fees are non-refundable.

Note 1: Gross Revenue is defined in the Franchise Agreement as the gross amount, in money or other forms of consideration, that you earn or receive from any source-related to, or in connection with, the operation of your Franchised Business or with this Franchise, whether on or off your premises; which includes all revenues generated from the sale of all products and performance of services. Gross Revenue also includes fair market value for any product or service you receive in barter or exchange for your products or services and all insurance proceeds that you receive for the loss of the business due to a casualty to or similar event at the Business. We exclude only (i) the gratuities paid by guests to employees of the Business; (ii) sales tax receipts that you must by law collect or pay; (iii) any refunds or voided transactions under 2% you give to guests and guest refunds of previous payments you actually make in good faith; (iv) the retail value of any complimentary (free) services, products and any menu items and/or meals offered to guests or employees up to a maximum of 3% of Gross Revenues for the Business; and (v) gift card sales that you make from your Business (to the extent such revenue is recognized at the time of redemption). We have the right to change, modify or discontinue your ability to exclude complimentary services, products, menu items and/or meals from your Gross Revenue calculation for any reason whatsoever upon ninety (90) days' notice to you.

The royalty obligation begins immediately after your Taproom is open for operation then continues for the term of your Franchise. The royalty is due and payable monthly on the 5th day of each month, and must be received how we specify. The royalty rate is 5% of your Gross Revenues per calendar month based on your Royalty Month for the entire term of your Franchise Agreement If your Franchise Agreement is terminated, you may be required to continue such Royalty Fee payments for the term of your Franchise Agreement.

Royalty Fees shall be payable only to us and collected by us through electronic transfer with direct deposit to us from your account. Under our current automatic debit program, you must make required funds available for withdrawal by electronic transfer before the due date. See the Direct Deposit Agreement attached as Schedule 1 of the Franchise Agreement. We reserve the right to change the time and manner of payment upon written notice to you. All Royalty Fees are uniformly imposed. All Royalty Fees are non-refundable.

Note 2: You will pay us a System Advertising Fee contribution equal to 2% of Gross Revenues per calendar month as defined in the Franchise Agreement. The System Advertising Fee is imposed by us and

collected by us and all System Adverting Fees are non-refundable. The System Advertising Fee begins immediately once your Taproom is open for operation and is due on the 5th day of each month, and continues for the term of your Franchise. We may raise, discontinue, or reduce the contribution, but your total contribution will not exceed 3% per month of your Gross Revenues in any calendar year. Gross Revenue is defined in the Franchise Agreement and in Note 1 above. You pay the System Advertising contribution at the same time and under the same terms as the royalty described above. System Advertising Fees are uniformly imposed on all franchisees.

We will place the System Advertising Fee contributions in a separate bank account. We may use this fund for marketing, local, regional, national, or international advertising, public relations, promotions, surveys, test marketing, research and development, administration (including our salaries, accounting, collection, legal, and other costs), related expenses, and any media costs (including any media production costs). We make the expenditures at our discretion. We do not represent that any particular level of expenditure will be made for particular programs or to benefit particular franchisees or franchised locations. We are not required to spend any amount on advertising in the area where you are located. We will not spend advertising funds for activities that are principally a solicitation for the sale of franchises. We have no fiduciary duty to you regarding any System Advertising Fees. All System Advertising Fees are collected only by us, and payable only to us. All System Advertising Fees are non-refundable.

Note 3: You must pay us $4,000 per month for local advertising placed by us, administering social media promotion, and running your webpage, including the postings of promotions set forth therein. We, our affiliates and/or our approved vendors will complete all changes, updates and promotions to your web page. Any requests for changes or updates to the content of your web page and/or any type of website promotion you wish to do must be approved by us in writing and performed by us, our affiliates and/or our approved vendors. This amount includes the $1,000 per month you are required to pay to us for your local advertising requirement; management of all local social media platforms (Instagram, Facebook, TikTok, Yelp, Google); two professional photo shoots and one professional video shoot per year; and a dedicated marketing staff person to facilitate our communications and requests.

Note 4: Interest and late charges begin to accrue from the due date of payment. You must also pay any damages, expenses, collection costs and reasonable attorney fees we incur when you do not make the required payments, provided no interest shall be charged in excess of the maximum rate allowed by law. All interest and late charges are payable only to us and collected only by us. Interest and late charges are uniformly imposed and are non-refundable.

Note 5: You must protect, defend, indemnify and hold us harmless against any claims, lawsuits or losses arising out of your operation of the Franchised Business. If you default under the Franchise Agreement and we engage an attorney for collection or enforcement, you must pay all our damages, legal fees and costs to the extent permitted by law. We are the only ones who impose and collect Indemnification costs. Indemnification costs may vary based on the claims, lawsuits, and losses that we incur arising out of your operation of the Business.

Note 6: You are required to use specific point of sale ("POS" or "POS system") software for the operation of your Taproom. The POS software is specific to the food and beverage industry that tracks the sale of all menu items, products and incorporates contact management and reporting functionality. The technology fee is for POS support, the usage of such software in addition to ongoing software support, which is currently $165-$300 per month for unlimited users regardless of how many POS systems you have at your location. Technology fees are payable to our approved vendors.

It is your responsibility to install and upgrade the POS system, networking and software for your Taproom. You will have sole authority and control over the use of all software, day-to-day operations of

the Taproom and your employees. At no time will your employees be deemed to be employees of ours. Software fees are non-refundable and we may change the technology requirements and fees upon ninety (90) days' written notice to you and you will be required to adhere to our new technology requirements and fees at your own expense. Technology fees may be changed in response to any increase in the United States Consumer Price Index, if additional features are offered or if conditions in the overall economy or in the market for such services warrant any change in fees. Technology fees are non-refundable and are uniformly imposed and collected only by us, our affiliates, or our approved vendors.

Note 7: You are required to obtain a commercial-free music subscription from our approved vendors for the operation of your Taproom. Such music subscription allows you the ability to have streaming commercial-free music in your Taproom. Music subscription fees range from $100-$500 per month and are payable to our approved vendors. It is your responsibility to install and upgrade the music equipment and software required for such music subscription for your Taproom. We may change such music subscription fee requirements upon ninety (90) days' written notice to you and you will be required to adhere to our new music subscription fee requirements at your own expense. Music subscription fees may increase from our vendors in response to any changes in the United States Consumer Price Index, if additional services are purchased or if conditions in the overall economy or in the market for such music services warrant any change in fees. Music subscription fees are non-refundable and are uniformly imposed and collected only by us, our affiliates or our approved vendors.

Note 8: You are required to use a professional security alarm monitoring services for your Taproom. It is your responsibility to manage the security alarm system and all required equipment for your Taproom. Currently security alarm fees are $50-$100 per month and payable to our approved vendors. We may change such security alarm requirements and fees upon ninety (90) days' written notice to you and you will be required to adhere to our new security alarm requirements and fees at your own expense. Security alarm fees may increase or decrease depending on your usage, may increase from our vendors in response to any changes in the United States Consumer Price Index, if additional services are purchased or if conditions in the overall economy or in the market for such security alarm services warrant any change in fees. Security alarm fees are non-refundable.

Note 9: You are required to use a professional laundry service to clean your aprons, towels, matts and mops. Our approved vendors also provide facility supply services, such as paper products, soaps, chemicals, towels, and door mats. It is your responsibility to manage the laundry services for your Taproom so that all aprons, towels, matts and mops meet our cleanliness standards, which will be provided to you during the initial training program. Currently laundry service fees are $700-$1,200 per month and payable to our approved vendors. We may change such laundry service requirements and fees upon ninety (90) days' written notice to you and you will be required to adhere to our new laundry service requirements and fees at your own expense. Laundry service fees may increase or decrease depending on your usage, may increase from our vendors in response to any changes in the United States Consumer Price Index, if additional services are purchased or if conditions in the overall economy or in the market for such laundry services warrant any change in fees. Laundry service fees are non-refundable.

Note 10: You are required to maintain our quality standards, product specifications and cleanliness standards. We reserve the right to charge you a fee of $2,500 if we inspect your Taproom and you do not pass the inspection for a second time in any two-year period. This fee is in addition to any product, vendor or equipment testing fee as described below.

Note 11: You will be required to obtain our written approval for any product (including menu item or retail item, if we authorize you to sell retail items in the future), vendor and/or supplier or piece of equipment you wish to use in the operation of your Taproom and you will be responsible for paying us an assessment fee. This fee is up to $200 for any single product (including menu or retail item), vendor

and/or supplier you wish to offer, use and/or substitute in your Taproom. The fee for equipment testing is a minimum of $500 per piece of equipment plus our expenses if we travel to test such equipment or the actual costs incurred by us. We may waive these fees if the products (including menu and/or retail items), vendors and/or suppliers or equipment you select meet our requirements and make it on our approved list of products (including menu or retail items), vendors and/or suppliers and equipment for all franchise locations. All product, vendor and equipment assessment fees are payable only to us. However, if we need to use the services of a third party to conduct the testing, we reserve the right to impose an additional fee. Product, vendor and equipment assessment fees are non-refundable, are uniformly imposed, are collected only by us, and payable only to us.

ITEM 7
ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee	$59,995	$59,995	Lump sum.	At signing of the Franchise Agreement.	Franchisor See Item 5
Pre-Marketing Fee	$8,000	$8,000	Lump sum.	On or before the sixtieth day prior to the originally intended opening date.	Franchisor See Item 5 See Note 1
Technology	$75,000	$150,000	As incurred.	Before Opening.	Payable to us, our affiliates or approved vendors See Note 2
Equipment, Furniture and Fixtures	$250,000	$350,000	As incurred.	Before Opening.	Payable to us, our affiliates or approved vendors See Note 3
Real Estate	$6,250	$25,550	As incurred.	Before Opening.	Landlord See Note 4
Leasehold Improvements	$300,000	$500,000	As incurred.	Before Opening.	Landlord See Note 5
Utilities	$800	$2,500	As incurred.	Before Opening.	Local Utility Suppliers
Signage	$5,000	$25,000	Lump sum.	Before Opening.	Payable to us, our affiliates or approved vendors
Security Deposits, Utility Deposits, Business Licenses and other Prepaid Expenses	$5,000	$25,000	As incurred.	Before Opening.	Payable to us, our affiliates or approved vendors See Note 2
Start Up Inventory	$10,000	$25,000	Lump sum.	Before Opening.	Payable to us, our affiliates or approved vendors See Note 6

Type of Expenditure	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to be Made
Staffing	$10,000	$15,000	As incurred.	Over the course of one month prior to opening for operation and your first month of operation.	Employees
Uniforms	$1,500	$2,500	Lump sum.	Before Opening.	Approved Vendors See Note 7
Insurance	$16,000	$30,000	As incurred.	Spent over the course of 12 months.	Payable to third parties; See Note 8
Travel, Lodging and Meals for Initial Training Program	$2,000	$7,000	As incurred.	As Incurred.	See Item 11
Licenses, Permits, Certifications and Other Professional Fees	$5,000	$10,500	As incurred.	Before Opening.	Appropriate licensing authorities and Third Parties
Additional Funds (3 Months)	$10,000	$25,000	As incurred.	Spent over the course of first three months.	See Note 9
Total	**$764,545**	**$1,261,045**			

Except as provided below, other than security deposits and utility deposits, all payments and fees described in this Item 7 are non-refundable.

Note 1: A pre-opening marketing fee (the "Pre-Marketing Fee") is $4,000 per month and is required to be paid for the two (2) months prior to the intended opening date, hence, $8,000 total, to be paid in full on or before the sixtieth (60^{th}) day prior to the originally intended opening date; provided that in the event the opening date is extended, you will pay a pro-rated amount of the Pre-Marketing Fee based on the number of days the opening date is extended. The Pre-Marketing Fee is deemed fully earned and nonrefundable upon payment per the terms of the Franchise Agreement.

Note 2: You must purchase a computer, a POS system, software, printer/copier/fax combo machine, modems and routers, closed circuit television security system, RFID Wristbands, alarm system, sound system and a phone system for the operation of your Taproom as specified in the Operations Manual. The low end of the estimate represents current costs for: one computer, one POS system (that includes seven terminals, one server, software, receipt printers, cash drawer and merchant service equipment), one printer/copier/fax combination machine, modems and routers, one closed circuit television security system with eight stations, one alarm system, a telephone system with four stations and a sound system. The high end of the estimate represents current costs for: one computer, one POS system (that includes

seven terminals, one server, software, receipt printers, cash drawer and merchant service equipment), one printer/copier/fax combination machine, modems and routers, one closed circuit television security system with twelve stations, one alarm system, a telephone system with four stations and a sound system. You must purchase only approved computers, POS systems, closed circuit television security systems, alarm, phone and sound systems that meet our specifications, which may change from time to time. We base our estimates on the technology costs that our affiliates incurred when opening their company owned locations. All such items must be purchased through us, our affiliates and/or vendors or suppliers approved by us and may not be refundable depending on the terms of the invoice or purchase agreement.

Note 3: This is an estimate for the items you will need for equipment, furnishing and fixtures. You must purchase various pieces of equipment for the operation of your Taproom as specified in the Operations Manual. The equipment you will need to operate your Taproom includes, but is not limited to: Pour My Beer Technology, Toast POS, cooler and draft system and the furnishings and fixtures necessary to operate your Taproom which include but are not limited to: tables, chairs, bench, booths, barstools, one desk, filing systems, custom counters, fabricated stainless steel work tables, dunnage racks, shelving, cabinets, storage racks and one safe for the operation of your Taproom. The low end of the estimate given is based on purchasing used equipment and opening a 4,000 sq. foot facility and the high end of the estimate is based on purchasing new equipment opening a 6,000 sq. foot facility with limited outdoor seating. Actual equipment, furniture and fixture costs may vary due to the square footage of your facility. We based our estimate on the equipment purchase costs incurred by our affiliates. Sales tax is charged separately by each state and is not included in these estimates. Sales tax may range from 3% to 10% of the purchase price and are not included in these estimates. You are responsible for paying all applicable sales taxes. You must purchase or lease all equipment, furnishing and fixtures from us, our affiliates or our approved vendors and suppliers. In addition, you must purchase or lease all equipment, furnishings and fixtures that meet our specifications, which may change from time to time. The cost of all equipment, furnishing and fixtures will depend on financing terms available, the condition of the equipment, furnishing and fixtures and other factors. You may be able to take advantage of tax benefits for the purchase of all your equipment, furnishing and fixtures as you are encouraged to talk with a tax professional. Expenses for the equipment, furniture and fixtures do not include shipping or delivery costs and may or may not be refundable depending on the terms of your invoice, lease agreement or purchase agreement.

Note 4: A typical Hoppin'™ Taproom is in a shopping center, mall or a free-standing building with approximately 4,000-6,000 square feet of space. Cost per square foot will depend on your geographic area and we estimate such costs to be approximately $20.00 per square foot on the low end and approximately $50.00 per square foot on the high end. We used these figures for the low and high estimates given above when leasing a space with high visibility. These sums do not include common area maintenance fees which (if applicable) will vary depending on your location or any sums for the purchase of real property, as we do not expect that you will buy real property. Real estate costs depend on location, size, visibility, economic conditions, accessibility and competitive market conditions. You may be able to reduce this expense if you are able to occupy a space in an existing location that compliments another business. The space must be enclosed and separate from other businesses with its own locking door. We base our estimate on the costs that our affiliates incur in operating their company-owned locations. Lease payments for periods of time that you occupy your premises may not be refundable. In the event you leave your leased premises before the termination of your lease, you may owe the landlord payment for the entire lease term depending on the terms and conditions of your lease.

Note 5: We suggest you find a space needing minimal leasehold improvements or fixtures. In most cases you will need to alter the interior of your Taproom before you open for operation. The costs will vary widely and may be significantly higher than what is projected in the table above depending on factors

such as property location, the condition of the property and the extent of alterations required for the property. The high estimate reflects the potential need to build out the premises, add lighting, bathrooms, hand washing sinks, fire sprinklers, fire alarms, phone lines and modify and/or add an HVAC system that entails mechanical, electrical and plumbing costs. In addition, we assume that your landlord will provide connections to adequate electrical, gas, water and sewage service and your landlord may provide tenant improvement allowances. We base our estimates on the costs that our affiliates incurred when building out their company owned locations. You should investigate all these costs in the area in which you wish to establish a Hoppin'™ Taproom. We will provide you with standard layouts and design options for your Taproom; however, it is your responsibility to hire an architect to create a complete set of drawings based on the size of your facility and local permitting requirements. We may require you to utilize a certain architectural firm approved by us for this purpose. Architect and permitting costs are not included in this estimate. Whether or not any leasehold improvements or build out expenses are refundable depend on the terms and conditions of your contracts with construction and mechanical contractors, as well as your lease agreement.

Note 6: You must purchase products and supplies for the general operation of your Taproom as specified in the Operations Manual. You must purchase only approved products and supplies and you must purchase products and supplies that meet our specifications, which may change from time to time. The types of products and supplies includes, but is not limited to: alcoholic beverages (such as domestic and international wines and beers), a variety of non-alcoholic beverages (such as carbonated drinks, teas and bottled water), different blenders, paper goods (such as: paper plates, napkins, cups, etc.), packaging materials (such as: boxes, bags, etc.), disposables (such as: gloves, plastic silverware, straws, etc.), small wares, (such as: wine glasses, keg dollies, tap plugs, etc.), storage containers, basic office supplies, cleaning supplies, fire extinguishers and other miscellaneous products or supplies as specified by us. All items mentioned above must be purchased through us, our affiliates or approved vendors and/or suppliers, except all advertising and promotional materials and miscellaneous forms must be purchased directly from us. We base our estimate of product and supply costs, on costs incurred by our affiliates when opening their company owned locations. Whether or not any of the purchases for products and supplies are refundable depends on the terms of the invoice or purchase agreement with suppliers.

Note 7: You must purchase and maintain an inventory of approved uniforms for the operation of your Taproom. You must purchase black logoed shirts and hats for your employees from us, our affiliates and/or our approved vendors. All uniforms must meet our specifications, which may change from time to time. You will need a minimum inventory of approved black logoed shirts and hats for your staff for one month prior to opening for operation and for your first month of operation. The number of uniforms you will need will vary depending upon the number of employees you hire. This estimate does not include any shipping costs, which (if applicable) are your responsibility. Whether or not any of the purchases for uniform apparel are refundable depends on the terms of the invoice or purchase agreement with suppliers.

Note 8: This estimated amount represents twelve months of pre-paid insurance premiums that does not take into account workers' compensation insurance, which may vary greatly by state, payroll and classification. You must obtain and keep general liability insurance and product liability insurance (covers you for damages that result in injury from products that you distribute) with a minimum policy limit of $1,000,000 per occurrence and $2,000,000 aggregate or in amounts we may require to reflect inflation, identification of new risks, changes in law or other relevant changes in circumstances. You are also required to obtain property and casualty insurance that covers the assets of the Taproom, "All Risk" insurance coverage for property that is not included in other insurance policies, workers' compensation insurance as prescribed by law, employer liability insurance, and business interruption insurance. Due to varying factors that affect the cost of workers compensation, the cost of workers compensation is not included in this estimate. We may change insurance requirements on reasonable notice to you. Whether or

not insurance premiums are refundable depend on the terms of your insurance policies. In general, the cost of insurance coverage will vary depending on the carrier's charges, terms of payment and your claims history.

You may need other insurance such as tenant's liability and professional liability insurance (covers you for damages that you create that do not result in property or bodily injury), employment practices liability insurance and employee dishonesty insurance are optional however we may require you to obtain this coverage in the future with liability limits of amounts we specify. We may change these insurance requirements on reasonable notice to you. There are no other insurance requirements. Whether or not any insurance premiums are refundable depend on the terms and conditions of your insurance policies.

Note 9: Competitive conditions described in Item 1 will affect these costs. Estimate includes minimum working capital for the startup of your Taproom. This also includes estimates of miscellaneous startup costs such as: rent for an additional two months (first months' rent is already included above), shipping and delivery costs, purchasing additional equipment, inventory (products and supplies); utilities, hiring additional staff, grand opening expenses, workman's compensation insurance payments (if applicable), tax deposits, prepaid expenses, additional permits, legal fees, accounting fees and other miscellaneous costs.

Total Estimated Initial Investment. The total estimated initial investment is an estimate only of the range of startup expenses you may incur. We relied on our principals' combined experience when preparing these figures. We base this estimate on the costs that our affiliates incurred when opening their company owned locations. The actual amount of funds you will need depends on a variety of factors, including the size of your facility, the location of your Taproom, build-out expenses, the time of year when you open your Taproom, the amount of equipment, products and supplies you purchase, how many employees you hire, implementation of a marketing plan, your own management skill, economic conditions, competition in your area and other factors. The estimate of initial investment funds is based on an owner-operated business and does not include salaries or benefits for full-time employees. As your Taproom grows, you may choose to hire additional employees to carry out support service tasks.

These figures are just estimates and we cannot guarantee that you will not have higher costs. Competitive conditions described in Item 1 will affect these costs. This estimate of startup costs is calculated for a period of one month (except as stated otherwise), with additional operating capital to be available as may be needed during the initial phase. These costs do not include your Royalty Fees and System Advertising Fees, which begin immediately once your Taproom is open for operation. These costs should be included in your projections of overall operations costs beginning with your first month of operation. We acknowledge that you may choose to invest additional funds into your Taproom during the first three months of operation, and sometimes longer, but we cannot estimate or promise when, or whether, any individual franchisee will achieve positive cash flow or profits. You should review the figures carefully with a business advisor and identify your individual expenses along with cash flow projections before making any decision to buy a franchise.

The estimate does not include any finance charges, interest, or debt service obligation, or your living expenses. You should have sufficient capital or other means to pay for your living expenses for at least six months of operation.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We may offer or designate others to offer certain products, supplies, equipment or services and we may become approved suppliers or the only approved supplier(s) for these and other products, supplies, equipment and services. You cannot purchase unapproved products or supplies and/or lease or purchase unapproved equipment from any vendor and/or supplier that are not on our pre-approved list without written permission. We will provide you with: a written list of approved products, supplies, equipment and services you can use and offer in your Taproom; recommended procedures and strategies when purchasing products and supplies and leasing or purchasing equipment for your Taproom; and a written list of approved vendors and/or suppliers to purchase and/or lease equipment, products, supplies and services from during our initial training program. Currently we are not the only approved supplier of such items that you are required to use or sell in the operation of your Taproom, except you must purchase all miscellaneous forms, advertising, promotional and marketing materials and updates from us. We also may require you to utilize a specific real estate broker / brokerage firm to assist you in finding a location for your Taproom. As of the date of this Disclosure Document, all updates to such advertising, promotional and marketing materials are optional, but we may in the future mandate that you purchase certain updates at your expense. If we develop proprietary products or if we develop proprietary equipment or software in the future, you must purchase such items from us, our affiliates or approved suppliers. We may become the approved suppliers or the only approved supplier for products, supplies, equipment and services in the future. We have negotiated leases and/or purchase arrangements with vendors and/or suppliers for the benefit of you in the areas of costs and customer support. There are no supply contracts at this time. We do not know the precise basis or amount of total revenue earned from purchases for such services for the last fiscal year because we are a new franchise and our affiliate has never previously collected them. Nor do we know the actual percentage of our affiliate's total revenues that such purchases of such services will amount to, as they have never previously collected such payments.

You are required to adhere to the standards and specifications established periodically by us with respect to your Taproom which includes: all products (including menu items and retail items, if we authorize you to sell retail items in the future) used, offered and sold; recipes, product preparation, product presentation, cleanliness standards, operational procedures, advertising, vendors and services to be offered through your Taproom and other items for the operation of your Taproom. You must operate the Taproom in strict conformity with the methods, standards and specifications that we prescribe in the Operations Manual or otherwise in writing. You must maintain in sufficient supply, use and sell at all times only the products, supplies, equipment and services that meet our standards and specifications. We may change our standards and specifications, as a result of experience or changes in the marketplace and we will issue such changes to all franchisees. You are not permitted to: use the products or services of an unapproved vendor, lease or purchase products or equipment from an unapproved supplier; or sell any other products (including menu items or retail items) not approved by us, unless you first submit a written request to us for approval and agree to be responsible for all product, vendor and equipment-testing fees of up to $200 per product or vendor, and up to $500 for equipment (plus travel costs, if any). We will use best efforts to advise you within thirty (30) days whether such products, supplies, equipment, vendors or suppliers are approved as further described below. We may require vendors and/or suppliers to provide certain information, sign a nondisclosure agreement, and agree to guarantee our level of quality and produce sufficient samples to allow us to test the sample at your expense. We may require you to submit to us sufficient specifications, photographs, drawings or other information and samples to determine whether the items meet our specifications. There is a product, vendor and equipment assessment fee for supplier approval and we may require third party testing, in which case you will pay the actual cost of the tests. We may issue specifications in manuals or directives, in writing or orally, and we may modify them

at any time. We will respond to a written request by you to approve a product (including a menu item or retail item if we authorize you to sell retail items in the future), piece of equipment or a supplier within thirty (30) days after we receive it. Approval may be revoked in our sole discretion where an approved product (including a menu item or retail item), piece of equipment, vendor or supplier does not adhere to the specifications described above. We will notify you either by email or any other written form of communication of our approval, disapproval or revocation of any prior approval of any product, equipment, vendor or supplier.

We base our specifications for products, supplies, equipment, vendor and supplier approvals on our discretionary determination of demand, relevance to the System, price, value, quality, reliability, accuracy of product claims, safety, warranty, prompt attention to complaints, financial stability, litigation against supplier, recall history, reputation, frequency of delivery, appearance and contributions or other benefits to us and/or any marketing fund. Some of these specifications are contained in our Operations Manual and others will be set forth in periodic written notices to our franchisees.

You are not required to maintain a minimum inventory of products in your Taproom however we retain the rights to do so in the future. If we require you to maintain a minimum inventory of products, (currently not in effect) we will notify you by email or any other written form of communication and you will have ninety (90) days to comply with such requirements at your cost. We will provide you with a written list of approved products (including menu items and retail items, if we authorize you to sell retail items in the future) that you can use, sell and/or offer in your Taproom after signing the Franchise Agreement and during our initial training. If any product (including menu items and retail items if we authorize you to sell retail items in the future), piece of equipment, service, vendor or supplier is not authorized by us, you are prohibited from using, offering or selling it in your Taproom. We may enforce these requirements by using "secret shoppers" or unannounced on-site visits to your Taproom on a regular basis. When we make other visits to Taprooms, such as to assist you, we may also take that opportunity to visibly inspect your inventory and determine if you are using or offering unauthorized products (including menu items and retail items, if we authorize you to sell retail items in the future), equipment or services. In addition, we expect to receive information from other Hoppin'™ businesses or from guests of your Taproom reporting that unauthorized products (including menu items and retail items), pieces of equipment or services are being used, sold or offered in the Taproom. You must permit us or our agents, at any reasonable time, to remove a reasonable number of products (including food or non-food items) or pieces of equipment from your Taproom free of charge for testing by us or by an independent laboratory, to determine whether the samples meet our then-current standards and specifications. Besides any other remedies we may have, we may require you to pay for the testing if we have not previously approved the supplier of the item or if the sample fails to conform to our specifications. In addition, to maintain the highest degree of quality and service, we reserve the right to charge you an additional fee of $2,500 if we inspect your Taproom and you do not pass the inspection for a second time in any two-year period. We reserve the right to take whatever action we deem necessary in our absolute and sole discretion to prevent you from using, selling or offering unauthorized products (including menu and retail items), supplies, equipment or services, including seeking injunctive relief or terminating your Franchise Agreement.

We may derive profit through markups of the prices charged to you for products, supplies, equipment or services we supply. We may derive revenue through license fees, promotional fees, advertising allowances, rebates or other monies paid by approved suppliers. We do not know the precise basis of these payments because we have never previously collected them. If we require you to buy from us, the product's price and quality will be comparable to similar products from other sources. We may take a portion of that income to spend on advertising or place it in a separate franchise advertising account. If we require you to buy products, supplies, equipment or services from a vendor that pays such allowances, at our discretion we may spend all such fees on related advertising or place them in the

separate franchisee advertising account, described in Item 11 below. If we do not require the purchase, we need not place such fees in a separate account or use them on advertising but may retain them. We are not required to apply these funds to advertising or place them in a separate franchise advertising account, but will use our reasonable discretion in making such decision. We did not receive any such revenues from required purchases made by franchisees in the prior fiscal year.

You must participate in and cooperate with promotional programs, rewards and/or loyalty programs, community programs, gift certificate or gift card programs we may establish and follow our and supplier requirements and guidelines. We will require you to use specific software, miscellaneous forms, signage, menu boards, contracts, checklists, marketing and promotional items; and we may require you to use or contribute to specific music service providers, security alarm service providers, laundry service providers, POS and technology support service providers, merchant service providers, vendor discounts, allowances and rebates.

You may not install or permit to be installed on the Taproom premises any fixtures, furnishings, equipment, décor items, signs, games, vending machines or other items without our written consent or that do not comply with our specifications. Some of these specifications are contained in our Operations Manual and others will be set forth in periodic written notices to our franchisees. In most cases, we will make available the specifications involve confidential and proprietary information regarding proprietary and confidential information to a supplier who agrees to sign a confidentiality agreement with us. We develop these specifications either through our research and development staff or with a particular manufacturer and we can modify any of them periodically.

One of our primary methods of communication with franchisees is through memos or newsletters we may periodically publish and an intranet system provided to franchisees on our website. You are responsible for knowing all of the information contained in the memos, newsletters and the intranet system and complying with any standards and specifications provided within them. We may establish and change the standards and specifications for the operation of your Taproom through our memos, newsletters and intranet system as well as by written notices and emails described above.

All marketing and promotion of your Franchise by you in any medium must be conducted in a professional and dignified manner and must conform to our specified standards and requirements that we prescribe in our Operations Manual. You must submit samples of all advertising or promotional plans and materials (including photographs and videos) that you desire to use to us for approval if such has not been prepared or previously approved by us. You may not use any marketing or promotional materials (including photographs or video presentations) that we have disapproved. This includes any media or website promotion over the Internet to promote your Taproom. You must submit a request to us for any type of media, web page and/or Internet promotion you wish to do in addition to any edits, changes or updates to your web page. Internet promotions, edits, changes or updates to your web page must be done by us, our affiliates or approved vendors with our consent. We will charge a fee for this approval, up to $200 per vendor. Upon approval of your request, you may be responsible for any website maintenance cost. Our response to your request for such advertising or promotional plans and materials (including photographs or video presentations) and Internet promotions, edits, changes or updates to your web page will be made within thirty (30) days after we receive it. We will notify you by email or any other written form of communication of our approval or disapproval. In addition, you must not conduct any advertising without our written permission, in any Social Media such as Yelp, Twitter, Facebook, LinkedIn, Pinterest and others. You must also supervise your employees to assure they do not post any material on the Social Media sites or any internet sites, regarding the Franchisor or Franchise System whatsoever. We will provide you with our written standards and guidelines for using social networking sites during the initial franchise training program.

We estimate that all your initial expenditures from us, our affiliates or the vendors that we specify and/or approve that meet our standards and specifications will represent approximately 35% - 45% of your total initial purchases. We anticipate that during the operation of your Taproom, required purchases from us, our affiliates or the vendors that we specify or approve (not including your lease, royalties or labor costs) are estimated to be approximately 35% - 45% of your total monthly purchases in the continuing operation of your Taproom (this depends on the size of your Taproom, amount of inventory your purchase and sales volume).

We do not provide material benefits (for example renewal or additional franchises) to you based solely on your use of designated or approved sources. We do not belong or require you to belong to any purchasing or distribution cooperatives, although we retain the right to establish them and to require your membership therein.

When you open a location for your franchise under a lease, per the Franchise Agreement, you must submit the proposed lease to us for acceptance before it is signed. We have the option to require that the lease (i) be collaterally assigned to us by a collateral assignment agreement in a form and substance reasonably acceptable to us in order to secure performance of your liabilities and obligations to us or (ii) contain the following terms and conditions:

1. The lessor must agree that without its consent, the lease and your right, title and interest under the lease may be assigned by you to our designee or us (provided such assignment shall not relieve you of your obligations under the lease or cause us or our designee to have any obligations or liability under the lease).

2. The lessor must provide written notice to us (at the same time it gives such notice to you) of any default by you under the lease and we must have, after the expiration of the period during which you may cure such default, an additional fifteen (15) days to cure, at our sole option, any such default and, upon the curing of such default, the right to enter upon the leased premises and assume your rights under the lease as if the lease had been assigned by you to us.

3. You are required to furnish copies of all insurance policies required by the Franchise Agreement and by the lease, to us, or such other evidence of insurance coverage and payment of premiums as we request or permit or under the lease.

Before you open a Hoppin'™ for operation, you must obtain the insurance coverage for the Taproom as specified below. The insurance coverage must be maintained during the term of the Franchise Agreement and provide evidence of insurance to us that insurance has been obtained from a responsible carrier or carriers acceptable to us.

1. General Liability Insurance, including broad form contractual liability, broad form property damage, personal injury, advertising injury, completed operations and fire damage coverage, in the amount of $1,000,000 per occurrence and $2,000,000 aggregate;

2. Liquor Liability in the amount of $1,000,000 per occurrence and $2,000,000 aggregate;

3. "All Risks" or "Special Form" coverage for the full cost of replacement of the Business premises and all other property in which we may have an interest with no coinsurance clause;

4. Property and casualty insurance that covers you for damages or losses to the Business with a minimum policy limit of $1,000,000 per occurrence or an amount that covers the assets of the Taproom;

5. Product liability insurance that covers you for damages that result in injury from products that you provide with a minimum policy limit of $1,000,000 per occurrence and $2,000,000 aggregate or an amount we reasonably specify;

6. Employer liability insurance that covers you and your Taproom against claims made by employees for work-related bodily injury or disease, other than liability imposed on you and your Taproom by workers compensation law;

7. Workers' compensation insurance in amounts provided by applicable law or, if permissible under applicable law, any legally appropriate alternative providing substantially similar compensation to injured workers, subject to the conditions set forth in the Franchise Agreement.

8. Business Interruption insurance in such amount as will reimburse you for direct or indirect loss of earnings attributed to all perils commonly insured against by prudent business owners (including lost royalties, system advertising and other fees due to us and/or our affiliates), or attributable to prevention of access to the Taproom, with coverage for a period of interruption of one hundred eighty (180) days and such longer period as we may specify periodically. Business interruption insurance is required with liability limits of amounts we may reasonably specify which will relate to the right to be reimbursed for direct or indirect loss of earnings attributed to all perils commonly insured against by prudent business owners.

9. Professional liability insurance (optional) that covers you for damages that you create that do not result in property or bodily injury with a minimum policy limit of $500,000 or an amount we reasonably specify;

10. Employment practices liability insurance (optional) that covers you and your Business against claims made by employees, former employees or potential employees for discrimination, wrongful termination, sexual harassment and other employment related obligations;

11. Crime insurance (optional) for employee dishonesty in the amount of $10,000 combined single limit;

12. Tenant's liability insurance, if such insurance is required by the terms of your lease (if applicable);

13. Any other insurance required by the state or locality in which the Taproom is located and operated in such amounts as required by statute;

14. Other insurance coverage, as we, your state or the landlord may reasonably require; and

15. Additional Insured status be granted to Franchisor including a thirty (30) day notice of modification or cancellation, and a waiver of subrogation provision in all policies.

With regard to any construction, renovation, or remodeling of the Taproom, you must maintain builder's risks insurance and performance and completion bonds in forms and amounts, and written by a

carrier or carriers, satisfactory to us. All of the policies must name us and our affiliates as additional insureds and must include a waiver of subrogation in favor of all those parties.

All insurance coverage shall be taken out in your name and shall name our affiliates and us as an additional insured and be placed with insurers designated by us or acceptable by us. You must furnish us with certified copies of each of the insurance policies described above on the earlier of your opening of the Taproom or one hundred eighty (180) days following the date that the Franchise Agreement is executed. You must purchase "A" rating insurance policies. Each such policy shall provide that it cannot be canceled without thirty days prior written notice to us and that we shall receive at least thirty (30) days prior written notice of its expiration. You shall promptly refer all claims or potential claims against you or us to each of us and our insurer and us.

The cost of insurance purchased in accordance with our specifications will represent less than 2% of your total purchases in connection with the establishment of your Taproom and will be approximately 2% of your total purchases in the operation of your Taproom. These percentages do not include workers' compensation insurance that will vary with the payroll amount and category of employees.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Agreement	Disclosure Document Item
(a) Site selection and acquisition/lease	Sections XII.S and XX.C. of Franchise Agreement	Items 7, 11 and 12
(b) Pre-opening purchases/leases	Section VIII of Franchise Agreement	Items 7 and 8
(c) Site development and other pre-opening requirements	Sections VIII, XII.T, XX.C. of Franchise Agreement	Items 6, 7, 11
(d) Initial and ongoing training	Section XX.A. of Franchise Agreement	Item 11
(e) Opening	Section IX.B and XII.G of Franchise Agreement	Item 11
(f) Fees	Sections IX and X of Franchise Agreement	Items 5, 6 and 7
(g) Compliance with standards and policies (Operations Manual)	Sections XII.A and XII.H. of Franchise Agreement	Items 8, 11 and 16
(h) Trademarks and proprietary information	Sections XV and XVI of Franchise Agreement	Items 13 and 14
(i) Restrictions on products/services offered	Section XII.I. of Franchise Agreement	Items 8 and 16

Obligation	Section in Agreement	Disclosure Document Item
(j) Warranty and customer service requirements	Not Applicable	None
(k) Territorial development and sales quotas	Section VI of Franchise Agreement	Item 12
(l) On-going product/services purchases	Section XII.I. of Franchise Agreement	Item 8
(m) Maintenance, appearance and remodeling requirements	Section XII.E. of Franchise Agreement	Item 11
(n) Insurance	Section XIII of Franchise Agreement	Items 6 and 7
(o) Advertising	Sections X.B, XII.L and XX.J of Franchise Agreement	Items 6, 7, and 11
(p) Indemnification	Section XVIII of Franchise Agreement	Item 6
(q) Owner's participation/ management/staffing	Sections XII.F and XII.K. of Franchise Agreement	Items 11 and 15
(r) Records/reports	Section XIV of Franchise Agreement	Items 6 and 11
(s) Inspections/audits	Sections XII.Q and XIV.B. of Franchise Agreement	Items 6 and 11
(t) Transfer	Section XXII of Franchise Agreement	Items 6 and 17
(u) Renewal	Section VII.B. of Franchise Agreement	Items 6 and 17
(v) Post-termination Obligations	Section XXIV of Franchise Agreement	Items 17
(w) Non-competition covenants	Section XIX of Franchise Agreement	Items 17
(x) Dispute Resolution	Section XXV.C. and XXV.D of Franchise Agreement	Items 17

ITEM 10
FINANCING

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

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

Except as listed below, Hoppin' need not provide any assistance to you under the Franchise Agreement.

Before you open your Taproom, we will:

(1) Provide you with written guidelines for site selection. You must, on your own initiative and at your own expense locate, obtain and occupy the site and negotiate the lease for your Taproom. You must select the site for your Taproom within the protected territory provided in the Franchise Agreement or within a specific facility if you choose to operate out of a Non-Traditional Location (as described in Item 12). We currently do not own the site and lease it back to you. You may not sign a lease for the site (or contract to purchase the premises, if applicable) in which you wish to operate your Taproom until you have obtained our written consent. Additionally, you must not invest any money for the site in which you have not received our written consent. We must accept the site if we feel in our total discretion that it meets or exceeds our standards, but our acceptance does not ensure that your Taproom will be profitable at the accepted location. If we do not accept the site you will have a second opportunity to locate a site. If we do not accept the second site we may terminate the Franchise Agreement. The factors that we consider in acceptance of the site include population density, demographics, traffic patterns, convenience, adequate parking, safety, zoning ordinances, neighborhood (or for non-traditional locations surrounding businesses) and physical characteristics of the premises such as size and layout. We may require you to obtain demographical reporting and provide copies thereof to us. We evaluate each proposed site and accept or reject each one on a case-by-case basis and will notify you by email or any other form of written communication of our acceptance or rejection of any proposed site within 30 days after we receive your request (Franchise Agreement, Sections XII.S and XX.C).

Neither we nor any of our employees have special expertise in selecting sites; we make no representations that your Taproom will be profitable or successful by being located at the accepted site. Any acceptance indicates that the proposed site meets our minimum criteria based upon our general business experience.

(2) Insert the accepted site on your Franchise Agreement. However, the acceptance of a location and entering it on your Franchise Agreement by us is conditioned upon our determination, in our reasonable judgment, that:

(i) the site which you have submitted for the Taproom is a suitable site based upon criteria we establish periodically; and

(ii) you and your Owners are in compliance with the Franchise Agreement.

(3) Accept the lease for the Taproom premises. You must submit the lease to us for our consent at least ten (10) days before you sign the lease agreement. You must send us a signed copy of the lease within five (5) days of both parties signing the lease. We do not offer legal services to you and you should consult your independent legal counsel for a legal review of the lease (Franchise Agreement, Sections XII.S and XX.C).

(4) Offer you recommendations when applying for licenses, permits, certifications, inspections and notifying your state of your proposed Taproom. It is your responsibility to comply with all laws, ordinances and regulations, as you are responsible for obtaining all necessary approvals, certifications, licenses and permits to operate your Taproom (Franchise Agreement Section XX.C).

(5) Inform you of any of our mandatory specifications, architectural and design plans, floor plans, interior and exterior signage, décor, designs and layouts for the Taproom at the accepted location. We will provide you with guidelines for the design and layout of your Taproom and you will need to hire an architect to create a complete set of drawings based on your building size and local permitting requirements, at your cost. We may require you to utilize a certain architectural firm approved by us for this purpose. You will be required to confirm that your Taproom satisfies all state and local zoning ordinances, regulations, fire, health, and building codes. We must review and approve your final set of drawings. It is your responsibility to comply with all laws, ordinances, and regulations, zoning and building codes for your Taproom (Franchise Agreement, Section XII.T and XX.D).

(6) Provide you with specifications for products, supplies, equipment, furnishings, fixtures, technology items (as described in Item 8), software, signage (including menu boards) and uniforms necessary for the operation of your Taproom. You are obligated to repair and maintain all equipment, technology items and related software necessary for the operations of your Taproom. You will be responsible for these expenses as these expenses are necessary for the operation of your Taproom. We will deliver these written specifications for the above items, and you are responsible for the delivery and installation of these items. You are required to lease and/or purchase the items listed above from us, our affiliates and/or our approved vendors (Franchise Agreement Sections XII.I, XX.A, XX.D and XX.I).

(7) Provide you with a written list of our approved products (including menu items and retail items, if we authorize you to sell retail items in the future), supplies, equipment and services you are authorized to use, offer and sell; and a written list of approved vendors and suppliers to purchase and/or lease products, supplies, equipment and services from (as defined in Item 8) that you are authorized to use or sell in your Taproom. We will train you on strategies when leasing and/or purchasing such items for the operation of your Taproom. You are responsible for the cost, delivery and installation of these items as they are necessary for the operation of your Taproom. You are required to purchase the items listed above from us, our affiliates and/or approved vendors or suppliers (Franchise Agreement XII.I, XX.A, XX.H and XX.I).

(8) Provide you with a written list of cleaning standards and recommended procedures for training employees in addition to general guidance. You are responsible for all day-to-day activities, including hiring, training, disciplining and/or firing your employees. Neither you nor your employees are our employees. You are responsible for all employees you hire, determining their compensation, hours of work, determining their benefits, tax withholding and their behavior during the operation of your Taproom (Franchise Agreement Sections XII.F, XII.H, XX.A and XX.E).

(9) Offer certain training programs designed to assist you and your management staff in the operation of your Taproom (as further described below). We will also provide continuing education to any new manager of your Franchise. We may require that you (or if you are a corporation, a limited liability company or partnership, then its officer or shareholder, member managing member, or managing partner) and any manager(s) complete refresher training programs during the term of the Franchise Agreement (Franchise Agreement, Section XX.A).

(10) Provide you with our initial training program, no earlier than sixty (60) days before your Taproom opens for operation, designed to assist you and your management staff in the operation of your Franchise, at no additional charge. The initial training program is designated for you, one Owner (if you are an Entity), one manager or any combination thereof (a total of 3 people). If more than three people attend the initial training program, we may impose a training fee of up to $200 per person for each day of training (Franchise Agreement, Section XX.A).

(11) Advise you of operating problems of a Hoppin'™ business disclosed by reports submitted to us or inspections made by us. We will furnish to you such guidance and assistance in connection with the operation of your Taproom, as we deem appropriate. Such guidance and advice will include methods and operating procedures utilized by other Hoppin'™ Taprooms with regards to products, services, supplies using and maintaining equipment; leasing and/or purchasing guidelines, marketing strategies, efficiencies to manage high volume, service standards, training employees, general operating procedures, record keeping, accounting and inventory control methods. You must pay all costs and expenses associated with these items. We will make additional guidance and assistance available to you at your written request and in our sole discretion at fees and charges established by us (Franchise Agreement, Sections XII.H, XII.I, XX.A and XX.E).

(12) Loan to you during the term of the Franchise Agreement one copy of our confidential and proprietary Operations Manual, which may include one or more manuals and other written materials for the operation of your Taproom, containing mandatory and suggested specifications, standards and operating procedures required by us and information relative to your other obligations under the Franchise Agreement. We have the right to add to, and otherwise modify, the Operations Manual to reflect changes in authorized products (including recipes, menu and retail items), supplies, equipment and services, as well as changes in specifications, standards and operating procedures of a Hoppin'™ Taproom. You must keep the Operations Manual confidential and current, and may not copy or distribute any part of the Operations Manual. The Operations Manual contains 80 pages and the current table of contents as of our last fiscal year end is included with this Disclosure Document as Exhibit E (Franchise Agreement, Section XX.G).

(13) Deliver to you a web page for your Franchise operations that may include online ordering functionality in addition to portals online for additional training, ongoing news bulletins and templates for advertising materials to support your Taproom (Franchise Agreement, Sections IX.A and XX.B).

(14) Approve or disapprove samples of all local advertising and promotional materials not prepared or previously approved by us that are submitted by you (Franchise Agreement, Sections XII.L, XX.A and XX.J).

(15) Provide, up to four (4) days of either pre-opening or grand opening assistance to you and your staff at your Business. Such assistance will be provided to you as part of our initial franchise training program and at our cost (Franchise Agreement Section XX.A).

During your operation of the Taproom, we may:

(1) Provide additional on-site supervision and assistance as we deem necessary and in our discretion. Additional visits are for the purpose of advising you with respect to products, services, equipment operation, operational, sales and marketing matters and personnel

issues related to your Taproom. You will be responsible for the transportation, room and board and miscellaneous expenses incurred by our personnel during the visits, which will take place per the terms of the Franchise Agreement, or at your request, and at times and dates selected by us (Franchise Agreement, Section XX.A).

(2) Monitor the operation of your Taproom and inspect the inventory of products, supplies and equipment at your Taproom then advise you of the results for each inspection, at our cost. If you fail the inspection twice in any two-year period we may charge you a fee of $2,500 (as described above in Item 8). If we have not inspected your Taproom in the past twelve months and you would like to have an inspection performed, you will need to notify us in writing and we will perform the inspection within three months of your request. For any inspections that you request, the cost of the inspection will be at your expense (Franchise Agreement Sections X.I, XII.I, XII.Q and XX.A).

(3) Provide to you and your manager(s), refresher and/or continuing education meetings at locations designated by us, which we expect to be our headquarters with a fee of $200 per person per day plus our expenses, which can vary from area to area. We reserve the right to increase the per day fee a reasonable amount based on reasonable criteria (Franchise Agreement, Section XX.A).

(4) Conduct quarterly meetings or an annual convention at such place as shall be designated by us, at our current fees, which can change based on our cost (Franchise Agreement, Section XX.A).

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

(6) Provide an intranet system, free of charge, to answer questions from you or your staff (during regular business hours, Eastern Time Zone). In addition, you will be able to send us questions and suggestions using Internet email (Franchise Agreement, Sections XX.A).

During your operation of the Taproom we will:

(1) Continue to consult with you at no additional charge regarding policies, products (including menu items and retail items, if we authorize you to sell retail items in the future), supplies, food preparation and presentation, equipment, vendor and supplier relationships, industry developments, sales, advertising, marketing and promotion strategies as well as provide assistance to you to resolve operational problems that you may encounter outside the scope of the Operations Manual (Franchise Agreement, Section XII.V and XX.A).

(2) Provide you with updated and written lists of approved products (including retail items, if we authorize you to sell retail items in the future), supplies, equipment, services (as described in Item 8) that you are authorized to use, offer and sell in your Taproom. We will continue to add and approve new vendors and supplies and will provide you with updated and current lists of such approved vendors and suppliers for all products, supplies, equipment and services you are allowed to purchase from for the operation of your Taproom. We will provide you with such updated lists, but not the actual items as you are responsible for purchasing and/or leasing such items. We will continue to approve products (including menu items), supplies, equipment, vendors and suppliers you may use, offer and sell in your Taproom. You may be responsible for paying any costs related to

testing any samples as described in Item 8 (Franchise Agreement, Sections XII.H, XII.I, XII.J, XX.H and XX.I).

(3) Provide you with minimum inventory requirements (currently not in effect) and suggested pricing for all products (including retail items, if applicable) and rates for services you offer in the Taproom. We may establish minimum and maximum prices and/or rates you can charge to the extent allowed by law. We will continue to research new products (including menu and retail items) and services for the System as we deem necessary (Franchise Agreement, Section XX.K).

(4) Provide you with updated preparation and presentation standards. We will provide you with such standards and specifications and you are responsible for purchasing all products or supplies that may be necessary to implement such standards at your expense (Franchise Agreement, Section XII.H and XX.A).

(5) Provide a dedicated telephone line, only for our franchisees, to answer questions from you or your staff (during regular business hours Eastern Time Zone). You will be able to contact us for questions, suggestions and guidance (Franchise Agreement, Section XX.A).

(6) Review and approve advertising and promotional materials in addition to any promotions, edits, changes or updates to your web page that you submit to us (Franchise Agreement, Sections XII.L, XII.H and XX.J).

(7) Provide continuing education to any new manager of your Taproom as noted in paragraph 14 (iv) below. We may require that you (or if you are an Entity or an Owner) and any manager(s) to complete refresher training programs during the term of the Franchise Agreement (Franchise Agreement, Section XX.A).

(8) Offer you guidance in establishing and using administrative, record keeping, and accounting procedures in accordance with our Operations Manual, and various policies communicated by us to you in writing from time to time (Franchise Agreement, Section XX.A).

(9) Provide you with all update and upgrade requirements for your technology items (as described in Item 8) and all related software in response to changes in the Operations Manual or changes in our policies that we communicate to you in writing. You are required to purchase such items to operate your Taproom. The cost of such technology items ranges from $31,000 - $34,000. We estimate that the cost for hardware and software upgrades for such items is approximately $500 per year. The hardware and software include your POS system, computers, copier, scanner, printer, modem, routers, sound system, closed circuit television system, alarm system and telephones. These machines provide both cash register and sales polling functions. In addition to processing customer transactions, the POS systems collect sales information (including products sold and times of sale). There are no contractual limits on our rights to access your information via this equipment and software and you agree Hoppin' shall have independent access to your information through your POS system. The POS system will require you to have internet access via high speed connectivity and a computer on site that will provide capability for Hoppin' to communicate electronically with the location via e-mail. You must purchase the POS systems from a vendor approved by us. The POS systems must be programmed, configured and operated in accordance with our specifications. Hoppin' may require you to update or change your POS system equipment and any related software during your

operation of your Taproom, such cost to be at your expense. There are no contractual limitations on the cost or frequency of this obligation. If we develop proprietary software in the future, we will provide you with update and upgrade requirements, however we are not obligated to perform any maintenance or provide any updates or upgrades to any third-party technology items or software programs you use in the operation of your Taproom. We are not obligated to provide hardware repairs to your technology items that you use. (Franchise Agreement Sections XII.I and XX.A).

(10) Reserve the right at our discretion to institute, maintain, and administer a System Advertising Fund (referred to as the "Fund") for the deposit of System Advertising Fees to support ongoing technology and new products (including menu items) development to be made available to franchisees, and such national advertising as we, in our sole discretion, may deem appropriate to promote the Hoppin'™ name to benefit all franchised businesses as described in Item 6. We will direct all such programs and will have sole discretion over the creative concepts, materials and endorsements and media used in such programs, and the placement or allocation of such programs. The source of the advertising will come from our in-office advertising department, or may in the future from a national or local advertising agency. We reserve the right to determine in our sole discretion the composition of all geographic territories and market areas for the implementation and development of such programs (Franchise Agreement, Section X.B).

(i.) You will pay us 2% of Gross Revenues per calendar month for the System Advertising Fee contribution, paid to us, as designated in the Franchise Agreement. We may raise, discontinue or reduce the contribution, but your total contribution will not exceed 3% of your Gross Revenue per month in any calendar year for the term of the Agreement. Contributions are due by the fifth day of the month (for the prior month) which will start immediately once your Taproom is open for operation then continues for the term of your Franchise.

(ii.) The contributions will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for such reasonable salaries, administrative costs, travel expenses and overhead as we may incur in activities related to the administration of the Fund and its programs, including conducting evaluation of new products, equipment and technologies; product development, market research, preparing advertising, promotion and marketing materials, and collecting and accounting for contributions to the Fund. Usage of the Fund will include ongoing development of the national website and development of new products to be made available to franchisees. We may disseminate advertisements in the form of print ads, signs, billboards, radio and television and we may conduct such advertising on a regional or national basis. We may spend, on behalf of the Fund, in any fiscal year an amount greater or less than the aggregate contribution of all Hoppin'™ franchises in that year, and the Fund may borrow from us or others to cover deficits or invest any surplus for future use.

(iii.) In the future, we may form a franchisee-elected Franchisee Advisory Council whose sole purpose is to advise on System Advertising Fund usage and advertising policies. We retain all operational and decision-making authority concerning advertising and the Advisory Council will serve only in an advisory capacity. The membership of any Franchise Advisory Council will be national in scope. The Advisory Council will not be separately incorporated, and

therefore, it will not have any written documents. If one is formed we will have the power to select and approve the members and to form, change, dissolve or merge the Advertising Council as described below.

(iv.) Neither we nor any Franchise Advisory Council undertake any obligation to ensure that expenditures by the Fund in or affecting any geographic area are proportionate or equivalent to contributions to the Fund by franchises operating in such geographic area or that you or your Taproom will benefit directly or in proportion to your contribution to the Fund. Neither the Fund nor we shall be liable to you with respect to the maintenance, direction, or administration of the Fund, including without limitation, with respect to contributions, expenditures, investments or borrowings, except for acts constituting willful misconduct. When the Fund is established and activated, all Hoppin'™ businesses owned by us or any of our shareholders or officers must contribute to the Fund in the same proportion as all franchisees.

(v.) Any sites we own will have the same voting rights as franchisee members. We administer the Fund, which is not audited. All interest earned on monies contributed to the Fund may be used to pay advertising and technology development costs before other assets of the Fund are expended. Fund contributions are not used to sell additional franchises. We will prepare an annual un-audited statement of monies collected and costs incurred by the Fund and furnish it to you upon written request. All financial statements will be available one hundred twenty (120) days after the end of our fiscal year. We reserve the right not to spend all of the funds in the System Advertising Fund in any one year and such funds may be accrued into the next year. The System Advertising Fund has not been established before the date of this Disclosure Document.

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

(11) We do not now, but may, require you to join, participate in and pay into, one or more franchisee marketing councils or cooperatives for your region, determined by the penetration area of local advertising media used (for example, the area of a regional newspaper's circulation). Because, we have not yet formed any franchisee marketing councils or cooperatives, we do not know how the area or the membership of any franchisee marketing council or cooperative will be determined. Because we have not formed any franchisee marketing councils or cooperatives, we have not determined whether or not any of our company-owned businesses will be contributing to any advertising spent by any franchisee marketing council or cooperative. In the event that we choose to establish a franchisee marketing council or cooperative, we will be

responsible for administering it. If we do create any franchisee marketing councils or cooperatives, they must operate in accordance with bylaws (or an operating agreement if it is a limited liability company). If we do create any franchisee marketing councils or cooperatives, the franchisee marketing council or cooperative will prepare annual financial statements that you can review. We will have the right to form, dissolve, and merge any specific franchisee marketing council or cooperative. Even though we have not yet formed any franchisee marketing councils or cooperatives, we may require that all franchisees within close proximity to a consumer show, convention or exhibition where related products and services are offered or sold to participate in the cost and benefit of the show. We intend to direct and coordinate all franchisee Internet advertising. All such programs and policies are our proprietary trade secrets.

(12) You must pay to us $4,000 per month for local advertising and promotion, and website management and maintenance, in addition to the 2% System Advertising Fee contribution you pay to us. You pay this $4,000 to us at the same time you pay your Royalty Fee. Of this amount, you must spend $1,000 on local advertising and promotion. We will administer and manage this $1,000 local advertising and promotion campaign expenditure on your behalf utilizing part of the $4,000. We will also manage all local social media platforms (Instagram, Facebook, TikTok, Yelp, Google), provide two professional photo shoots and one professional video shoot per year, and provide a dedicated marketing staff person to facilitate our communications and requests. This requirement payment period starts immediately once your Taproom is open for operation and will be pro-rated for your first month taking into account when you open your Taproom for operation.

You will not use any independent advertising or sales promotion programs in any media (including electronic) without our prior review and written approval. We will approve the materials you submit to us within thirty (30) days; if we do not respond within such period then we have automatically disapproved all such materials. You will make reasonable efforts to participate in and cooperate with all advertising programs selected by us or by any approved group of franchisees, except that you may not need to follow or maintain any sales price or suggested pricing. You are responsible for any expenses of this independent advertising.

Unless we approve otherwise in writing, you may not establish a separate Website and will only have one web page, as we designate and approve, within our Website. The term "Website" includes: Internet pages, as well as other electronic sites (such as social networking sites like Yelp, Facebook, Twitter, LinkedIn, Pinterest, blogs and other applications). You must comply with our requirements regarding selling, advertising, discussing or disseminating any information, or otherwise having a presence on a Website, regarding the Taproom. If we approve a separate Website for you (which we are not obligated to do), we will provide you with guidelines for establishing and maintaining such Websites and each of the following provisions will apply: (i) you may neither establish nor use any Website without our prior written approval; (ii) before establishing any Website, you must submit to us, for our prior written approval, a sample of the proposed Website, including its domain name, format, visible content (including, without limitation, proposed screen shots), and non-visible content (including meta-tags), in the form and manner we may require and all such work (except for social networking sites) must be performed by us, our affiliates or approved vendors (as described in Item 8); (iii) you must not use or modify a Website (except for social networking sites) without our

prior written approval; (iv) you must comply with the standards and specifications for Websites that we may periodically prescribe in the Operations Manual or otherwise in writing; and (v) if we require, you must establish hyperlinks to our website and other Websites; (vi) you must not engage in any link building activities unless approved by us; and (vii) we may revoke our approval at any time by providing written or email notice to you of such revocation.

(13) We estimate that there will be an interval of one hundred eighty (180) to three hundred sixty (360) days between the signing of the Franchise Agreement and the opening of your Taproom. Factors that may affect this length of time include obtaining a location that is accepted by us for your Taproom, leasehold improvements and build-out, time of year, completion of your pre-market entry study to determine any customization of products (including menu items) and services to be offered through your Taproom, satisfactory completion of our initial training program by you (or one of your Owners if you are an Entity) and one other manager (you must have a minimum of one manager, of which can be but does not need to be you or one of the Owners of your Franchise) and availability of equipment, products and supplies. You have ninety (90) days to enter into a lease, at your expense, for commercial real estate that is properly zoned for the use of your Taproom under the Franchise Agreement. You must submit to us, in the form we specify, a copy of the location plan and other such information or materials we may require, together with an option contract, letter of intent, or other evidence of satisfactory to us that confirms your affirmative prospects for obtaining the location. We will have thirty (30) days following receipt of this information and materials from you to consent or not consent to the proposed site for your Taproom and will notify you of the same by email or any other form of written communication. We reserve the right to extend the period for you to acquire a lease as described above based on our reasonable judgment that you will likely find a location. Failure to lease and/or open your Taproom within the timeframes mentioned above, would constitute a default under the Franchise Agreement, for which we may terminate the Franchise Agreement. We will give you such default notice, under which we may terminate the Franchise Agreement, in writing.

(14) Before the opening of your Taproom, you (or an Owner if you are an Entity) and at least one other manager (you must have a minimum of at least one general manager, of which can be but does not need to be you or one of the Owners of your Business) you designate are required to attend our initial training program at our corporate headquarters in Charlotte, North Carolina unless such headquarters is moved and at your site. We maintain a regular calendar for the training program. We hold the training program approximately one to eight times per year (or more frequent if needed). The training program is included in your Initial Franchise Fee. You are responsible for all costs associated with attending the program such as travel, room and board.

(i.) We may require that you (or your managing partner, managing member, member, or shareholder), and your managers have successfully obtained a food handlers certification in your home state. A food handler certification is food handling and safety training that is necessary for the operation of your Taproom. You can take such courses in a classroom setting or in some states you can complete them over the Internet.

(ii.) If any proposed manager does not satisfactorily complete our training program, we will notify you, and you may then select and enroll a substitute manager in our training program. If, during the training program we determine, in our sole

discretion, that you (or any Owner if you are an Entity) or any other manager is not qualified to manage a Hoppin'™ business, you have the right to appoint someone else to be trained by us at your expense. If that other person does not satisfactorily complete our training, we have the right to terminate the Franchise Agreement. The criteria that we will use to determine whether or not we deem you (or your managing partner, member or shareholders) qualified to manage a Hoppin'™ Taproom includes, but is not limited to, your lack of business experience, your lack of experience in the food and beverage industry, your personality makes it difficult for you to service guests, or you do not have the appropriate licenses or permits to operate a Hoppin'™ business. We will send you a written termination notice upon our determination of such disqualification.

(iii.) After the completion of the initial training program by you, your Owner and/or your manager, we will provide training to any new manager of your Taproom at your request for which an additional training fee of up to $200 per day per person may be required. The trainee(s) will be responsible for all costs related to attending training such as travel, room and board. In addition, we have the right to require that you (and if you are an Entity, any Owner) and any other manager(s) complete refresher training programs during the term of the Franchise Agreement, to be furnished at our corporate headquarters currently in Charlotte, North Carolina. There may be an additional cost for refresher training programs. You are responsible for all costs associated with attending such training opportunities we may provide for you such as travel, room and board.

(iv.) After the opening of your Taproom, we may provide to you and your personnel, access to information and support through franchise portals online. Support may also be available from our corporate headquarters and we may provide refresher training or continuing education all of which can be done either through phone, web based ("webinars"), video or at locations designated by us (most likely at our headquarters). Such refresher or continuing education (other than by phone, webinars or video) may have a registration charge to you that will not exceed more than $200 per person per day. You are responsible for costs associated with you attending the programs such as travel, room and board or our expenses if we come to you. The refresher training and/or continuing education will normally not exceed a day and we expect to have at least quarterly programs subject to special need. The content for the refresher and/or continuing education will cover particular aspects including but not limited to: new products (including menu items) and services, equipment maintenance and operation, industry developments, operational and service standards, technology and software developments, sales, promotional and marketing programs, administration and so forth. We may conduct an annual convention in which refresher and/or continuing education will be made available at such place as shall be designated by us for all franchisees but will most likely be at our headquarters. A registration fee for each participant may be required which we will work in good faith to maintain at our cost and you will be responsible for costs associated with attending the convention such as travel, room and board. The registration fee for conferences will not exceed $500 per person. We may increase the fees charged above based on the increase of actual costs incurred by us.

(v.) Within sixty (60) days before you anticipate opening of your Taproom for operation, we will provide training for you as noted in the following training schedule. This training curriculum is fully detailed in our Operations Manual and will change periodically. The corporate training team will include members of our management team, staff from our corporate headquarters in Charlotte, North Carolina, members of our website development team, members from our approved suppliers and service providers.

TRAINING PROGRAM

The Operations Manual will detail all aspects of Franchise operations presented in training and serve as an ongoing reference. We will make available to you updates to the Operations Manual through various means including online. All training must be successfully completed to our satisfaction. All of the training sessions will be taught by a combination of Adam Mann who has over eight (8) years of bar and restaurant industry experience and Travis Kirkland who has over four (4) years of bar and restaurant industry experience both of whose backgrounds are described in Item 2 above. Occasionally, different guest speakers may make an appearance at the training program to provide information about various products, services and programs offered by us. For example, some speakers may be our employees, franchisees, vendors or industry experts. Our training program incorporates presentations, demonstrations, examples from the Operations Manual, on the job training and various speakers.

Subject	Hours of Classroom Training	Hours of On the Job Training	Instruction	Regional Locations
The Hoppin'™ System, Standards and Philosophy*	1 Hour		Presentation, Demos and Various Speakers	Corporate headquarters in Charlotte, North Carolina or as we otherwise specify
Overview Hoppin'™ Menu	3 Hours		Presentation, Operations Manual and Various Speakers	Corporate headquarters in Charlotte, North Carolina or as we otherwise specify
Equipment Operation and Maintenance	1 Hour	2 Hours	Operations Manual, Demos, On the Job Training and Various Speakers	Corporate headquarters in Charlotte, North Carolina or as we otherwise specify
Ordering Inventory and Controlling Cost	2 Hours	8 Hours	Presentation, Operations Manual, On the Job Training and Various Speakers	Corporate headquarters in Charlotte, North Carolina or as we otherwise specify
Pricing Guidelines for all Beverage Products	4 Hours		Presentation, Operations Manual and Various Speakers	Corporate headquarters in Charlotte, North Carolina or as we otherwise specify
Front of House Operations and General Manager Responsibilities		16 Hours	Presentation, Operations Manual, Various Speakers and On the Job Training	Corporate headquarters in Charlotte, North Carolina or as we otherwise specify
Front of House Positional Training, Customer Service and Handling Complaints		30 Hours	Presentation, Operations Manual, On the Job Training and Various Speakers	Corporate headquarters in Charlotte, North Carolina or as we otherwise specify

Subject	Hours of Classroom Training	Hours of On the Job Training	Instruction	Regional Locations
Safety, Health, Sanitation, Cleanliness and Personal Hygiene Requirements	4 Hours	6 Hours	Presentation, Operations Manual, Various Speakers and On the Job Training	Corporate headquarters in Charlotte, North Carolina or as we otherwise specify
Scheduling and Controlling Labor Costs	4 Hours	8 Hours	Presentation, Operations Manual, On the Job Training and Various Speakers	Corporate headquarters in Charlotte, North Carolina or as we otherwise specify
POS System and Software Training**	2 Hours	8 Hours	Presentation, Operations Manual, On the Job Training and Various Speakers	Corporate headquarters in Charlotte, North Carolina or as we otherwise specify
Advertising, Marketing and Promoting Your Taproom	6 Hours		Presentation, Various Speakers and Marketing Plan Creation	Corporate headquarters in Charlotte, North Carolina or as we otherwise specify
Interviewing, Hiring, Training and Employee Management	4 Hours	10 Hours	Presentation, Operations Manual and Various Speakers	Corporate headquarters in Charlotte, North Carolina or as we otherwise specify
Administrative, Payroll and Record keeping Responsibilities	4 Hours	8 Hours	Presentation, Operations Manual, On the Job Training and Various Speakers	Corporate headquarters in Charlotte, North Carolina or as we otherwise specify
Total Hours***	37 Hours	176 Hours		

*Additional POS and software training will be provided to you and performed by our approved vendors after the initial training above is completed.

**The actual hours of classroom and on-the-job training may vary. For example, it may take less time to cover a subject in a smaller class than in a larger class or depending on your experience.

Additional Assistance:

In addition to the initial training program mentioned above, we will provide assistance and guidance to you regarding food preparation and service standards while at your location for either pre-opening or grand opening assistance. We will provide up to four (4) days at your Taproom at no cost to you. For your second and subsequent Taproom that you open we will (at your option) provide the same type of assistance at your location, however you will be responsible for all actual wages and travel expenses incurred by us. We will provide you with invoices for amounts you owe us and we may require you to pre-pay all or a portion of the actual amounts owed.

Ongoing Training:

We will provide you with memos and/or newsletters that will contain ongoing training relating to your Taproom and access to additional or refresher training programs that may be conducted through the telephone, webinars or video training at no cost to you. In very rare instances, we may periodically require that you or your Owners (if you are an entity) and/or general manager to complete additional or refresher training programs to correct, improve or enhance the operations of your Taproom. Such additional or refresher training programs may be conducted through the telephone, webinars, video

training or at annual conferences. Anyone attending additional or refresher training programs (training other than by telephone, webinars or video training) will be subject to an additional training fee and all costs associated with attending the training program such as travel, room and board (as described in paragraph 14 (iii) above).

ITEM 12
TERRITORY

You must operate your Hoppin'™ Taproom within the specific location identified in your Franchise Agreement. You will not receive an exclusive territory. You may face competition from other franchisees and company-owned businesses we operate or from other channels of distribution or competitive brands that we control. You are awarded a protected territory ("Territory") that will include up to five (5) miles driven in any direction from the Franchise Business as defined by Google Maps or a similar mapping program, the only exception being Non-Traditional Locations ("Non-Traditional Locations" which are defined as specific facilities such as: hotels, airports, casinos, train stations, universities, stadiums, arenas, theme parks, enclosed shopping malls, military installations or convenience stores). If you open a Taproom within a Non-Traditional location you are not granted a protected territory as your location will be site specific and you may face competition from other franchises and/or company-owned businesses. We reserve the right to grant a territory that is larger or smaller than the five-mile area described above, in order to account for more densely or sparsely populated areas. We will determine population based on the most recently published data from the U.S. Census Bureau (or such other source we may indicate to you). We may require you to obtain demographical reporting and provide copies thereof to us. You may not conduct business out of any other location other than the accepted location that has been entered in your Franchise Agreement or made part of by an addendum attached to your Franchise Agreement. You may sell products (menu items and retail items, if we authorize you to sell retail items in the future), serve anyone who comes from anywhere so long as your sales and services you perform do not result from any Target Marketing (as defined below) activities by you. Due to the nature of our business model and products offered, you are prohibited from offering and/or performing catering services. If we authorize you to offer catering services in the future (currently franchisees are not authorized to offer or perform catering services), you can perform catering services within your Territory, or the parameters of your facility if operating a Non-Traditional Location. You may be able to perform catering services in geographic areas outside your Territory or outside the parameters of your Non-Traditional Location under certain circumstances (as described below). You may not relocate your Taproom without our written consent, which we will not unreasonably withhold or delay. Our consent to your relocation is based on the following factors: population, business potential, traffic patterns, proximity to major roads, demographics of the surrounding area, market penetration or other conditions important to the successful operation of a Hoppin'™ Taproom, as we deem appropriate and as identified in your Franchise Agreement. You are not granted any options, rights of first refusal or similar rights to acquire additional franchises.

If you are provided with a Territory (you are not operating your Taproom in a Non-Traditional Location), we cannot either establish a company-owned business, franchise or license another to locate a Hoppin'™ Taproom within your Territory during the term of your Franchise Agreement. If you are operating a Non-Traditional Location, we cannot establish either a company-owned business, franchise or license another to locate a Hoppin'™ Taproom within the parameters of your facility however can do so anywhere outside the parameters of the facility where your Taproom is located. For clarity, and by way of example only, if you own a Hoppin'™ Taproom in a Non-Traditional Location, we have the right to establish either a company-owned business, franchise or license another to locate a Hoppin'™ Taproom anywhere outside the parameters of the facility where you operate your Taproom. The parameters of your

Taproom will normally be the building that you lease or where your leased premises is located (Franchise Agreement Section VI).

Your licensed Territory (except for Non-Traditional Locations), is determined by population, business potential, traffic patterns, proximity to major roads, demographics of the surrounding area, market penetration or other conditions important to the successful operation of a Hoppin'™ Taproom, as we deem appropriate and as identified in your Franchise Agreement. We determine your licensed Territory once a location is chosen, and we will not alter it even if there is a population increase or decrease. It will also not be affected by your sales volume. Certain locations, such as major metropolitan areas may have smaller territories of densely populated areas. We must have consented to the location for your Taproom within your defined Territory or if operating in a Non-Traditional Location within that Non-Traditional Location in writing before you open for operation. Relocation of your Taproom or establishment of additional Hoppin'™ Taprooms requires our written acceptance.

You must submit a separate application for each Franchised Business to be established by you. You must pay the fee for each additional acquisition mentioned in Item 5 and comply with all of the terms and conditions of your existing Franchise Agreement. We must approve the location of any additional Hoppin'™ Taprooms as mentioned in Items 11 and 12 above.

The Territory (if you are provided with a Territory) described above or if you are operating in a Non-Traditional Location, will affect where you and our other franchisees may solicit for business, sell products and provide services. If you are provided with a Territory, you are encouraged to directly advertise and market to sell products (menu items and retail items, if we authorize you to sell retail items in the future), and serve people (and offer catering services only if we authorize you to offer catering services in the future) within your Territory. If you operate out of a Non-Traditional Location you can sell products (including menu items and retail items, if we authorize you to sell retail items in the future) from your Taproom, and serve people (and offer catering services only if we authorize you to offer catering services in the future) within the parameters of your facility. Regardless of whether you operate your Taproom within a Territory or a Non-Traditional Location, you may serve guests, and sell products (including menu items and retail items, if we authorize you to sell retail items in the future) to anyone who comes from anywhere so long as all products are being prepared and sold from your Taproom within your defined Territory.

We may allow you and other franchisees or company-owned businesses to sell products (including menu items and retail items, if we authorize you to sell retail items in the future) and offer catering services (if we authorize you to offer catering services in the future) through an alternative channel of distribution (such as on the Internet or Websites). If you are granted permission to sell products (including menu items and retail items, if we authorize you to sell retail items in the future) or services through an alternative channel of distribution, per our written approval, you may sell such products and provide services, using that method, to anyone from anywhere without compensation to the other franchisee or company-owned business so long as all products are prepared and sold from your Taproom. We, other franchisees and company-owned businesses are subject to the same restrictions and reserve the same right to serve and sell products to anyone who comes from anywhere (including selling products through an alternative channel of distribution) and offer services within the boundaries of our and other franchisee's territories without compensation to you. You are prohibited from soliciting and marketing in general to attract people and sell products (and catering services, if applicable) by any means outside of your respective Territory or outside the parameters of facility if you operate your Taproom in a Non-Traditional Location; and must not specifically engage in target marketing ("Target Marketing") within the Territory of another Hoppin'™ Taproom (franchise and/or a company/affiliate owned business). Target Marketing means a concerted effort by a franchisee to solicit and obtain business through any type of advertisement or marketing, directed at all or a material portion of another

franchisee's territory. We will use commercially reasonable efforts to enforce this requirement regarding Target Marketing if you or any other franchisee violates it.

In an effort to maintain quality, currently we do not authorize our franchisees to offer catering services as our business model and products (menu items) are not conducive for catering. However, if in the future we authorize you to perform catering services and if you are asked to provide catering services for people that are in another geographical area in which there is another franchisee or company-owned business or outside the parameters of your Non-Traditional Location, you must immediately refer that person or the business to the Hoppin'™ Taproom in that geographical area or directly to us. If the other franchisee or company-owned business determines it in the best interest of the person or business for you to provide such catering services, then you can service the person or business. If there is not a Hoppin'™ Taproom in the geographical area in which the person or business wants catering services then you can immediately service the person or business, however you must be prepared to refer such person or business to another franchisee when the unassigned area is purchased. We and other franchisees must refer persons and businesses who request catering services and are within your Territory or within the parameters of your facility (if operating in a Non-Traditional Location) to you and also reserve the same right to provide catering services to persons or businesses that are within your defined Territory if it is determined to be in the person's or business's best interest. If during the term of the Franchise Agreement, you are unable to promptly and properly provide products, serve guests, perform deliveries or perform catering services (if we authorize you to offer catering services in the future) you must refer such persons or businesses to another franchisee in the System or to us. For any default of the Franchise Agreement, as an alternative to terminate, we may modify or completely eliminate any rights that you may have with respect to the protected status of your Territory, effective ten (10) days after delivery of written notice to you. In addition, we may modify or eliminate, the Territory (Franchise Agreement Sections VI, XII.H and XXIII.F).

We encourage all Hoppin'™ Taprooms when owned by different individuals, to work out a referral relationship and advertising strategy or arrangement if they are within close proximity of each other (defined as being within a ten-mile radius of each other). We must be notified of all such arrangements.

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

We reserve the right to issue binding policies to coordinate marketing councils and/or advertising cooperative programs. For example, we may require that all franchisees within close proximity to consumer shows, conventions or exhibitions where food products are being sold to participate in the cost and benefit of the show. We intend to direct and coordinate all franchisee Internet advertising. All such

programs and policies are our proprietary trade secrets. In such programs, we may require that the person acquired through such programs, to be served by the closest or other franchisee and may or may not require franchisees serving the person to do so at a minimum price or pay a reasonable referral fee.

Any rights not expressly granted to you are reserved to us. Such rights reserved to us include, but are not limited to:

(1) Advertise, market and sell Hoppin'™ branded products (including menu items and retail items), equipment (if we choose to develop equipment in the future) and services in your Territory and/or within your Non-Traditional Location;

(2) Advertise and offer products (including menu items and retail items) and services to promote the System through the Internet and/or other similar venues no matter where the person is based to brand the System and/or fulfill demand anywhere;

(3) Sell, distribute or offer anywhere products (including menu items and retail items), equipment (if we choose to develop equipment in the future) or services (if we choose to offer catering services in the future) to anyone from anywhere through any alternative or other channel of distribution, other than local bar-type/taproom operations providing such products and services whether or not we are using the Marks or System and on any terms we deem appropriate. We have this right whether or not we are using the Marks or System; or are acting inside or outside your Territory as designated on your Franchise Agreement or within your Non-Traditional Location;

(4) Develop and distribute any proprietary products and equipment (if we choose to develop products or equipment in the future) that have been branded with our Mark or logo or different branded products through any outlet located anywhere (including, by way of illustration, supermarkets, specialty food stores, discount club chains, retail stores, over the Internet and/or similar venues) and on any terms and conditions we deem appropriate. If we decide to develop and distribute products or equipment, you will receive no compensation from us for such sales inside your Territory or within your Non-Traditional Location, unless agreed otherwise in writing by us;

(5) Implement advertising cooperative programs, which may allow us or others to solicit or sell to persons anywhere. We also reserve the right to issue mandatory policies to coordinate such advertising cooperative programs;

(6) Own and/or operate ourselves or authorize others to own and/or operate (a) any business located outside the Territory or Non-Traditional Location as designated on your Franchise Agreement, whether or not using the Marks and/or System, (b) any business anywhere, whether using the Marks and /or System or not, which is not substantially similar to the business franchised to you under the Franchise Agreement and/or (c) any business anywhere which does not use the Marks; and

(7) Acquire, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not) located anywhere, including arrangements in which we are acquired, and/or company-owned, franchised or other businesses (including your Taproom) are converted to another format or we acquire a similar beverage establishment, or other food and/or beverage service related business which will be maintained under the System or otherwise. You will fully participate in any conversion subject to any person/entity merging

with, or acquiring us or when we acquire, reimbursing you for reasonable costs directly related to the conversion.

We are not responsible for paying any compensation to you concerning the sale of any products (including menu or retail items), services or equipment (if we choose to offer catering services or sell equipment in the future) by using the Internet or other similar venue, by alternative means of distribution, advertising cooperative programs, outlets, businesses that are or are not substantially similar to the Franchised Business or any business that does not use the Marks. For clarity, the Franchise Agreement grants you no rights to sell and/or distribute or offer any products (including menu or retail items), equipment or services through any alternative channels of distribution without our permission or share in any of the proceeds from our activities through alternative channels of distribution.

Neither we nor any of our affiliates have established, nor have plans to operate or franchise a business that sells or offers similar products or services under a trade name or trademark different from the Marks.

ITEM 13
TRADEMARKS

Under the Franchise Agreement, we grant you the nonexclusive right to use the Marks in connection with the operation of your Franchise. Our principal trademark is "Hoppin'" as it appears on the first page of this Disclosure Document. We have the right to use and to license others to use the Marks and under any other trade name, trademarks, service marks and logos currently used or that may hereafter be used in the operation of the Business. You must use the Marks only for the operation of your Franchise and in the manner authorized by us.

The design mark "HOPPIN' BEER. WINE. GOOD VIBES." is registered on the Principal Register of the United States Patent and Trademark Office (referred to as "USPTO") bearing the registration number 5620735. It was registered on December 4, 2018, is owned by affiliate Hoppin, LLC and is sublicensed to you. We also claim common law rights in our trademarks based on our prior use. If our right to use any of our Marks is successfully challenged, you may have to change to an alternative trademark, which may increase your expenses.

There are no presently effective determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor any pending infringement, opposition or cancellation proceeding or material litigation involving the Marks. We have not yet filed an affidavit of use because our trademarks were recently filed and do not need an affidavit. We do intend to renew all of our trademark registrations.

There are no effective agreements that limit our right to sublicense you the Marks, other than a perpetual, exclusive, non-transferable, worldwide, royalty free license to use, sub-license, and display the Marks from Hoppin, LLC pursuant to a trademark license agreement. The trademark license agreement may be modified or terminated if we fail to follow the operating, merchandising and advertising policies, and such other quality standards that are established by Hoppin, LLC. In addition, Hoppin, LLC has the right to substitute alternative trademarks for license at any time. Therefore, you may have to change the trademarks that you use in operating your Franchised Business at your expense. The trademark license agreement will remain in effect for as long as we offer franchises, or unless we are in default of the trademark license agreement. The trademark license agreement can be modified if both we and Hoppin, LLC agree in writing.

Upon termination of the trademark license agreement for any reason, we and franchisees must discontinue all use of the Marks in any form, remove the Marks from our website and any of our franchisees website, modify any and all identification of the Franchised Business with, or reference to, the Marks, and refrain from making any subsequent representation, advertisement or published statement, product sales using or in reference to the Marks, or the business previously conducted using the Marks, and take such action as shall be necessary to change any corporate name, assumed name or equivalent registration which mentions or refers to the Marks, or any mark similar thereto.

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

We are not obligated by the Franchise Agreement to protect any rights granted to you to use the Marks or protect you against claims of infringement or unfair competition with respect to them. The Franchise Agreement does not require that we participate in your defense or indemnify you for expenses or damages if you are a party to a judicial or administrative proceeding involving one of the Marks or if the proceeding gets resolved unfavorably to you. Although we are not contractually obligated to protect the Marks or your right to use them, as a matter of corporate policy, we intend to defend the Marks vigorously (Franchise Agreement Section XV.B).

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

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

There are no infringing uses actually known to us as of the Issuance Date of this Disclosure Document that could materially affect your use of the Marks in the State of North Carolina or in any other state. You should understand that there could be other businesses using trademarks, trade names or other symbols similar to our Marks with superior rights to our rights. Before starting your business, you should research this possibility, using telephone directories, trade directories, Internet directories, or otherwise in order to avoid the possibility of having to change your Taproom name.

All your usage of the Marks granted under the Franchise Agreement is nonexclusive, and we retain the right, among others: (a) to use the Marks in connection with selling of products (menu and/or retail items) and services; (b) to grant other licenses for the Marks, in addition to those licenses already granted to existing franchisees; (c) to develop and establish other systems using the same or similar Marks, or any other proprietary marks, and to grant licenses or franchises in those systems without providing any rights to you as described in Item 12.

All your usage of the Marks and any goodwill you establish are to our exclusive benefit and you retain no right or rights in the Marks on the termination or expiration of your Franchise Agreement. You may not use the marks as a part of any corporate or trade name, nor may you use any trade name, trademark, service mark, emblem or logo other than the Marks, as we may designate periodically. You

must prominently display the Marks on such items and in the manner we designate. You must obtain such fictitious or assumed name registrations as we require or under applicable law. You must also prominently display in your Taproom that we are not a joint employer of you and that you are solely responsible for all employment-related decisions and matters. You must also identify yourself as the owner of your Franchise by placing your name on the Business and on all checks, invoices, receipts, contracts and other documents that bear any of the Marks, and on all printed materials your name must be followed by the phrase "A Franchise of Hoppin Franchise Group, LLC" or such other phrase as we occasionally direct.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any registered patents or copyrights or have any pending patent applications which are material to the Franchise; however, we claim common law copyright and trade secret protection for several aspects of our System, methods, techniques and operational procedures; the Operations Manual; products (including menu items and retail items if we authorize you to sell retail items in the future), product specifications, recipes, photographs of food, design, décor, graphics, menu boards, signage, manuals and all related video presentations and materials including advertisement and promotional materials although such materials may not have been registered with the United States Copyright Office. We consider these materials proprietary and confidential and are considered our property and may be used by you only as provided in your Franchise Agreement. We reserve the right to register any of our copyrighted materials at any time we deem appropriate. We also reserve the right to renew any and all such copyright registrations at our discretion.

There currently are no effective determinations of the United States Copyright Office or any court regarding any of the copyrighted materials. There are no agreements in effect that significantly limit our right to use or license the copyrighted materials. There are no infringing uses actually known to us, which could materially affect your use of the copyrighted materials in any State.

You must notify us immediately in writing of any apparent infringement of or challenge to your use of our copyrighted materials or trade secrets, or claim by any person of any rights in any copyright or trade secret, which you become aware. We have the sole discretion to take such action, as we deem appropriate and the right to exclusively control any litigation, United States Copyright Office proceeding or other administrative proceeding. We may require you to discontinue use or modify any materials that may in our opinion infringe on the copyright, trade secret, or patent rights of any other person or business.

If it becomes advisable at any time, in our sole discretion, to modify or discontinue use of any copyrighted materials or trade secrets, and/or use one or more additional or substitute copyrighted materials or trade secrets, you must comply with our directions with respect to a reasonable time after notice by us. We have no liability to you concerning substitution or modification of copyrighted materials or trade secrets.

We possess certain trade secrets and confidential information that includes our: strategies for site acquisition, build-out, design specifications and décor, distinctive menu items various recipes, food presentation standards, methods and procedures; specifications for all products (including menu items and retail items, if we authorize you to sell retail items in the future), supplies and equipment; purchasing strategies, inventory management systems, vendor and supplier relationships, cost and pricing strategies; procedures for cleanliness, safety, sanitation and quality control; guest service standards, methods and techniques; employee hiring, training and retention guidelines; strategies for providing efficient operational procedures, our Operations Manual and other written materials, photographs of food,

software, website (including our online ordering functionality), forms, contracts, record keeping and reporting procedures; marketing strategies, sales, advertising and marketing and promotional materials; systems and knowledge of, and experience in, the operation and franchising of a Hoppin'™ Taproom (the "Confidential Information"). We will disclose Confidential Information to you during our initial franchise training program, seminars, workshops, continuing education sessions and conventions sponsored by us; in the Operations Manual and in guidance furnished to you during the term of your Franchise Agreement.

If you or your partners, members, managers, directors, shareholders, employees, agents or independent contractors develop any new piece of equipment, product (including any type of menu or retail item), recipe, formula, concept, technique, process, photographs, video presentations, promotions, program or improvement in the operation or promotion of your Taproom, you are required to promptly notify us with all necessary related information, without compensation. However, as a matter of corporate policy, we may create an incentive program to reward you, your partners, members, managers, directors, shareholders, employees, agents or independent contractors for any new piece of equipment, product (including any menu or retail item), recipe, formula, concept, technique, process, photograph, video presentation, promotion, program or improvement that we implement throughout the System. You and if you are an Entity, then one of your Owners acknowledge that any such equipment, product (including any type of menu item or retail item), recipe, formula, concept, process, photograph, video presentation, promotion, program or improvement will become our property and we may use or disclose such information to other franchisees as we deem appropriate.

The Franchise Agreement provides that you will not acquire any interest in the Confidential Information other than the right to utilize it in the development and operation of your Hoppin'™ Taproom during the term of your Franchise Agreement, and that the use or duplication of the Confidential Information in any other business would constitute unfair competition. You also agree that the Confidential Information is proprietary to us and is disclosed to you solely on the condition that you: (1) will not use the Confidential Information in any other business or capacity; (2) will maintain the absolute confidentiality of the Confidential Information during and after the term of your Franchise Agreement; (3) will not make unauthorized copies of any portion of the Confidential Information disclosed in written or electronic form; and (4) will adopt and implement all reasonable procedures required by us to prevent unauthorized use or disclosure of the Confidential Information, including without limitation, restrictions on disclosures to employees of your Franchise and any other business(es) owned by you and if you are an Entity, any of your Owners, and the use of nondisclosure and non-competition clauses in employment agreements with your employees and Owners, where enforceable under state law.

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

The Franchise Agreement provides that a Hoppin'™ Taproom must at all times be under your direct, day-to-day, full time supervision. We do not require that you personally (or if you are an Entity such as a limited liability company, then a managing Owner of such Entity) be involved in the day-to-day operations of your Taproom, but your Taproom must at all times be under the operation of a manager ("General Manager") whose identity must at all times be disclosed to us. This person must have successfully completed our training program and must use his or her best efforts in the operation of a Hoppin'™ Taproom.

You are required to retain a General Manager for the operation and management of your Taproom. The General Manager may, but need not, be you or one of the Owners of the Franchised Business and need not have any set percentage of the equity of the Franchised Business. The General

Manager must meet all of our standards and criteria for such positions as set forth in the Operations Manual. Your General Manager is responsible for overseeing the general management of the Taproom and using his or her best efforts in the operation of the Taproom. This individual and their replacements must also satisfy the applicable training requirements as outlined in the Franchise Agreement. We have the right to require that the General Manager and any other manager be at the Taproom for any inspection we conduct (Franchise Agreement Section XII.F).

If we, in our sole discretion, find that your General Manager is not properly performing his or her duties, we will advise you and you must immediately take steps to correct the situation. Upon termination of employment of your General Manager, you must appoint a successor within sixty (60) days. Any replacement General Manager (who we may disapprove in our sole and absolute discretion) must be trained by us within thirty (30) days of employment in accordance with our standards. To clarify, any replacement General Manager is to be trained by us at our corporate headquarters or any other location we specify and at your expense.

Our approval of a General Manager other than you is conditioned upon the person entering into a confidentiality and restriction of like business agreement containing covenants like those contained in the Franchise Agreement and Schedule 8 of the Franchise Agreement against engaging in competing businesses and use/disclosure of our Confidential Information during the tenure of employment with you and for a period of three years following the termination of such person's employment with you. You will provide us with copies of the same upon request.

You may not employ any individual who is at the current time or was at any time during the prior twelve months employed in any back-of-house, front-of-house, managerial or administrative position by us or any of our affiliates or by another franchisee of ours without the prior written consent of us. As a condition to such consent, you may be required to compensate the former employer for the actual costs and expenses incurred by the employer in connection with the training of any replacement employee.

If you are an Entity, each of your Owners that holds more than 10% interest in the Franchised Business (and his/her spouse) must personally guarantee your obligations under the Franchise Agreement and also agree to be personally bound by, and personally liable for the breach of, every provision of the Franchise Agreement, agree to be bound by the confidentiality provisions and non-competition provisions of the Franchise Agreement and agree to certain restrictions on their ownership interests. The required Guaranty of Obligations is attached as Schedule 5 of the Franchise Agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

Due to the differing nature of markets across the United States, and because the size of each individual Taproom will vary, you will have a wide variety of possible sites to choose from which to conduct your business operations with our consent. You may not use the Franchise premises for any other purpose than the operation of a Hoppin'™ Taproom, unless otherwise consented to by us in writing. Alternative operation sites that may be approved can include for example, incorporating your Franchise operations within the premises of an existing complimentary business.

You must comply with all of our standards and specifications relating to the purchase and/or lease, use and sale of all products, equipment, supplies, furnishings and fixtures, technology items, software, menu boards, signage and décor items, uniforms, printed advertising materials and other items to be used, sold or offered at the Taproom (See Item 8).

You are required to offer from your Taproom only approved products (including menu items and retail items, if we authorize you to sell retail items in the future) and services specified by us that include but are not limited to: a variety of alcoholic beverages (such as wine and beer) and non-alcoholic beverages (such as: carbonated drinks, teas and bottled water) in addition to other beverage products or services as expressly authorized by us in writing or in the Operations Manual, or developed by us as a result of your pre-market entry study to meet the needs of your unique market, and any updates to be incorporated in the Operations Manual periodically. You must prepare, sell and offer only approved products (including menu and retail items, if we authorize you to sell retail items in the future) from your Taproom. You must prepare all menu items in accordance with our standards, techniques, processes and presentation as designated by us. Due to the nature of our business model and products (menu items) offered, you are prohibited from offering and/or performing catering services. We may, but are not obligated to do so, authorize you to offer and perform catering services in the future. If we authorize you to offer catering services, you can provide catering services to anyone located within your Territory or the parameters of your Non-Traditional Location. You may also offer additional products (including menu items) that are unique to your area in an effort to blend in with your community; however, you must obtain our written approval before such products (including menu items) are used or offered and the time to approve or deny your request is described below. We will response to a written request by you to approve any product (including menu item) or service you wish to use or offer within thirty (30) days after we receive it. We may revoke approval in our sole discretion where an approved product (including menu item) or service does not adhere to our standards as specified in the Operations Manual. We will notify you either by email or any other written form of communication of our approval, disapproval or revocation of any prior approval of any product (menu item) or service.

You can sell products (including menu and retail items, if we authorize you to sell retail items in the future) and provide catering services if we authorize you to offer catering services in the future at any prices and/or rates you establish as we will suggest pricing and rate strategy and we may establish minimum and maximum prices and/or rates at which you may sell products (including menu items and retail items, if we authorize franchisees to sell retail items in the future) and provide services to the extent allowed by Federal and state laws. You must discontinue using, selling and offering for sale any product (including any menu or retail item) or service that we may disapprove in writing at any time, whether or not a product (including menu or retail item) being submitted for approval is currently in use. We can and expect to change and/or modify the types of products (including menu items and retail items, if we authorize you to sell retail items in the future) and services we authorize. There are no limits on our right to do so. We will inform you by email or by any other form of written communication of such changes and/or modifications. You may not use or offer any product (including menu items and retail items, if we authorize you to sell retail items in the future) or provide any service that has not been specifically approved in writing by us; and you may not independently act as an exclusive distributor for any third-party vendor or secure any exclusive rights for any vendor or proprietary product or equipment without our prior written consent.

We may, in our discretion, allow you and other franchisees or company-owned businesses to sell products (menu and retail items, if applicable) through an alternative channel of distribution (such as on the Internet or Websites) provided you adhere to our standards. You will not receive any compensation from such sales made by other franchisees or company-owned businesses. If we authorize you to sell products and offer services through alternative channels of distribution, all products and services must be sold or performed from your Taproom or within the parameters of your Non-Traditional Location. You are not authorized to sell any products or offer any services on the Internet or in any other media, whether now known or hereinafter invented, unless we otherwise approve it.

You must participate in any gift certificate or gift card program or rewards program we establish. You may not create or issue your own gift certificates or cards without our prior written consent.

You must maintain proper permits and licenses to operate a Hoppin'™ Taproom and provide products and services in your area. You must not engage in any trade, practice or other activity that is harmful to our goodwill or reflects unfavorably on our reputation, that constitutes deceptive or unfair competition, or that is in violation of any applicable law.

You are encouraged to directly advertise and market to attract business, sell products (menu and retail items, if we authorize you to sell retail items in the future) serve persons to anyone located within your Territory or within the parameters of your Non-Traditional Location. Regardless of whether you are provided with a Territory or operate out of a Non-Traditional Location, we place no restrictions upon your ability to sell products (menu and retail items, if applicable), serve guests (and catering services if we if we authorize you to offer catering services in the future) to anyone so long as all products are being prepared and sold from your Taproom. In addition, you may be able to perform catering services (if we authorize you to provide catering services in the future), in other geographical areas outside your Territory or outside the parameters of your Non-Traditional Location under certain circumstances and provided you do so in accordance with our standards (as described in Item 12).

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Franchise Agreement and related agreements. You should read these provisions in the agreements attached to this Disclosure Document. "FA" refers to the Franchise Agreement.

Provision	Franchise Agreement	Summary
a. Length of the Franchise Term.	FA Section VII.A	FA- Five (5) years
b. Renewal or extension of the term.	FA Section VII.B	FA- Up to two (2) five (5) year renewal if you meet certain term requirements.
c. Requirements for you to renew or extend.	FA Section VII.B	FA - Written notice for you to renew, full compliance, sign then current form or new franchise agreement, pay a renewal fee, comply with out then current training and qualification requirements, execute a general release; and upgrade the Taproom to the then current standards. You may be asked to sign a contract with materially different terms and conditions than your original contract (check with FA)

Provision	**Franchise Agreement**	**Summary**
d. Termination by you.	FA Section XXIII.D	FA - If we have materially failed to comply with terms of the FA after thirty (30) days' notice.
e. Termination by us without cause.	Not Applicable	We cannot terminate your FA without cause.
f. Termination by us with cause.	FA -Section XXIII.B and XXIII.C	FA - We can terminate if you breach a material provision of the FA or fail to open the Taproom.
g. "Cause" defined; curable defaults.	FA- Section XXIII.B	FA-Violation of health or safety laws upon seventy-two (72) hours' notice; five (5) days for failure to pay amounts owed; thirty (30) days for all other defaults.
h. "Cause" defined noncurable defaults.	FA- Sections XXIII.C	FA - Failure to agree upon a territory; abandonment of the Taproom; failure to attend and satisfactorily complete the initial training program; surrender of control; misrepresentation or omission in application; felony conviction; unauthorized assignment improper assignment upon death or disability; loss of possession of the Taproom; unauthorized use of Confidential Information; failure to pay taxes or liens; dishonest or unethical conduct; assignment for benefit of creditors; and bankruptcy.
i. Your obligations on termination / non-renewal	FA- Section XXIV	FA -Cease operating Franchised Business cease use of confidential information and Marks; deliver property containing the Marks; cancel assumed or similar name registrations; pay outstanding amounts and damages; deliver manuals; assign phone numbers; comply with covenants and see "r" below.
j. Assignment of contract by us.	FA- Section XXII.C	No restriction on our right to assign.
k. "Transfer" by you – defined	FA- Section XXII.B	Includes transfer of the FA and Business assets by you.

Provision	Franchise Agreement	Summary
l. Our approval of transfer by you.	FA- Section XXII.C and XXII.E	FA -We have the right to approve all transfers by you.
m. Conditions for our approval of transfer.	FA- Section XXII.C and XXII.E	FA- Full compliance; transferee qualifies; all amounts due are paid in full; completion of training by transferee; transfer fee paid; transferee agrees to be bound by all terms of FA; you sign and deliver other required documents including a release.
n. Our right of first refusal to acquire your Business.	FA- Section XXII.C and XXII.E	FA - We have the right to match any offers.
o. Our option to purchase your business.	FA- Section XXII.F and XXIV.G	FA- Upon expiration or termination of the Franchise Agreement, purchase for fair market value determined by appraisal if parties are unable to agree.
p. Your death or disability.	FA- Section XXII.D	FA - Franchise must be assigned to approved buyer within six months.
q. Non-competition covenants during the term of the Franchise.	FA- Section XIX.C	FA - No involvement in any competitive business anywhere in the US other than existing business.
r. Non-competition covenants after the franchise is terminated or expires.	FA- Section XIX.C	FA - No interest in competing business for two years within ten miles of any company owned outlet or other franchises.
s. Modification of the Agreement.	FA- Section XXV.J	FA - No modification except by written agreement, Operations Manuals are subject to change.
t. Integration / merger clause.	FA- Section XXV.J	FA – Only terms of the Disclosure Document and Franchise Agreement are binding subject to state law. Notwithstanding the prior sentence nothing in the Franchise Agreement or any related agreement is intended to disclaim any representations Franchisor has made in the entire Franchise Disclosure Document (Subject to State law).

Provision	Franchise Agreement	Summary
u. Dispute resolution by arbitration or mediation.	FA- Section XXV.D	FA- Arbitration and mediation in Mecklenburg County, State of North Carolina (subject to State law).
v. Choice of forum.	FA- Section XXV.G	FA -Litigation in Mecklenburg County, State of North Carolina (subject to state law).
w. Choice of law.	FA- Section XXV.G	FA - State of North Carolina laws apply (unless prohibited by laws of state where Franchise is located).
x. Liquidated damages.	FA- Section XXIV.H	FA – If the Franchise Agreement is terminated prior to its expiration date, you shall be obligated to pay within thirty (30) days of termination or expiration of the Franchise Agreement, a sum determined by adding together the average Royalty Fee payments and average System Advertising Fee payments that was paid to us during the previous twelve (12) months for either the remaining term (or renewal term) of the Franchise Agreement or two years (whichever comes first). If you have not made twelve (12) months of payments to us, then the number of payments you have made will be used to calculate the average of such Royalty and System Advertising Fee payments.

ITEM 18
PUBLIC FIGURES

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

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

The following chart includes data from all of our affiliate-owned ("corporate") stores, Hoppin', LLC in Charlotte, North Carolina, and Hoppin' Greenville, LLC in Greenville, South Carolina, that were open for the entire calendar year indicated.

Historical Annual Gross Sales of Corporate Units							
	Annual Gross Sales 2018	Annual Gross Sales 2019	Annual Gross Sales 2020	Annual Gross Sales 2021	Annual Gross Sales 2022	Total	Average per Store
Hoppin' CLT	$ 1,807,333.42	$ 1,715,582.40	$ 1,302,867.20	$ 1,069,398.13	$ 1,444,501.68	$ 7,339,682.83	$ 1,467,936.57
Hoppin' GVL	N/A	N/A	Opening Year	$ 699,702.25	$ 683,831.58	$ 1,383,533.83	$ 691,766.92
						Average	$ 1,079,851.74

Note: For purposes of this chart, "Gross Sales" means "total revenue," i.e., no items have been deducted from total revenue.

Some outlets have earned this amount. Your individual results may differ. There is no assurance you'll do as well.

There are no material, financial and operational characteristics of company-owned outlets that are reasonably anticipated to differ materially from future operational franchised outlets.

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table 1
System-wide Outlet Summary
For Fiscal Years ending 2020 thru 2022

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2020	0	0	0
	2021	0	1	+1
	2022	1	1	0
Company- Owned	2020	1	1	0
	2021	1	2	+1
	2022	2	2	0
Total Outlets	2020	1	1	0
	2021	1	3	+2

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
	2022	3	3	0

* "Company-Owned Outlets" includes the non-franchised Business owned and operated by our affiliate, Hoppin, LLC in Charlotte, North Carolina, and Hoppin Greenville, LLC in Greenville, South Carolina.

Table 2
Transfers of Outlets from Franchisees to New Owners (other than Franchisor)
For Fiscal Years 2020 thru 2022

States	Year	Number of Transfers
All States	2020	0
	2021	0
	2022	0
Total	2020	0
	2021	0
	2022	0

Table 3
Status of Franchise Outlets
For Fiscal Years 2020 thru 2022

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
NC	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
SC	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Totals	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
	2022	1	0	0	0	0	0	1

Table 4
Status of Company-Owned Outlets
For Fiscal Years 2020 thru 2022

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
NC	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
SC	2020	0	0	0	0	0	0
	2021	0	1	0	0	0	1
	2022	1	0	0	0	0	1
Totals	2020	1	0	0	0	0	1
	2021	1	1	0	0	0	2
	2022	2	0	0	0	0	2

* "Company-Owned Outlets" includes the non-franchised Business owned and operated by our affiliate, Hoppin, LLC in Charlotte, North Carolina, and Hoppin Greenville, LLC in Greenville, South Carolina.

As of the date of this Disclosure Document, our affiliates operated two non-franchised businesses at the location listed below:

Hoppin'™

1402 Winnifred St
Charlotte, NC 28203

118 N. Markley Street, Suite 102
Greenville, SC 29601

Table 5
Projected Openings
For the Period Ending December 31, 2022

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the 2023 Fiscal Year	Projected New Company Owned Outlets in the 2023 Fiscal Year
North Carolina	1	1	0
South Carolina	0	1	0
Texas	0	1	0
Totals	**1**	**3**	**0**

A list of the names of all Franchisees and the addresses and telephone numbers of their Hoppin'™ business are listed as Exhibit G to this Disclosure Document. A list of the name and last known home address and telephone number of every franchisee who has had their franchise terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during Fiscal Year 2022 or who has not communicated with us within 10 weeks of our application date is attached as Exhibit H.

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

At this time, there are no previously owned Hoppin'™ franchised outlets for sale.

During the last three fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchised system.

At this time there are no trademark specific franchisee organizations representing Hoppin'™ franchisees, and no such trademark specific franchisee organization has asked us to be included in this Disclosure Document.

ITEM 21
FINANCIAL STATEMENTS

Our audited financial statements for the period ending (i) December 31, 2022 and (ii) December 31, 2021 are attached to this Disclosure Document as Exhibit I. Our fiscal year end is December 31. We have not been in business for three years or more and therefore cannot include all the financial statements required by the Federal Trade Commission franchise rules for our last three fiscal years.

ITEM 22
CONTRACTS

Copies of all proposed agreements regarding the franchise offering are included in the Exhibits that follow and include our Franchise Agreement and those other exhibits shown. This list below is only of documents that are considered agreements and a full list can be found at the end of the table of contents above:

Exhibit A- Franchise Agreement with Schedules

Schedule 1 - Authorization for Pre-Arranged Payments

Schedule 5 - Individual Guaranty

Schedule 6 - Collateral Assignment of Lease

Schedule 8 - Confidentiality & Non-Compete Agreement

Exhibit D - State Addenda

Exhibit F - Option Agreement

ITEM 23
RECEIPTS

Included as the last document of this Disclosure Document (Exhibit K) and/or as a separate executable form, is a Receipt to be signed by you. This Receipt must be signed and dated and delivered to us at least fourteen (14) calendar days before signing of the Franchise Agreement or payment of any fee by you.

EXHIBIT A

FRANCHISE AGREEMENT

Between

Hoppin Franchising Group, LLC

and

_____

Franchisee

FRANCHISE AGREEMENT

Between

Hoppin Franchising Group, LLC

1402 Winnifred Street
Charlotte, NC 28203
Direct: (704) 310-1535
Web: *www.hoppinbrands.com*

and

_____

_____

_____

Collectively referred to as "Franchisee"

Hoppin Franchising Group, LLC
FRANCHISE AGREEMENT

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Hoppin Franchising Group, LLC
FRANCHISE AGREEMENT

PARTIES

THIS FRANCHISE AGREEMENT ("Agreement") is made by and between Hoppin Franchising Group, LLC, a North Carolina limited liability company, hereinafter sometimes referred to as "Hoppin'", "Franchisor" or "we" and that party or parties described as the Franchisee in this Agreement and on the signature line, hereinafter known as "you" or "Franchisee." If the Franchisee is a corporation or limited liability company, partnership or other entity, certain provisions of this Agreement also apply to your shareholders, members, partners or owners. Any such entity may be referred to as an "Entity" and those who own the Entity may be referred to as "Owners." For ease of reference, Hoppin Franchising Group, LLC, is referred to as "we", "us" or "our" in this Agreement. The persons signing as Franchisee, Owners or guarantors are referenced to herein individually as "you" or "yours" or collectively as "Franchisee." The Franchisor and Franchisee (sometimes collectively referred to as the "Parties" and individually as a "Party") are entering into this Agreement to evidence the agreement and understanding between the Parties as follows:

RECITALS

WHEREAS, We have devised a uniform system for the establishment and operation of a taproom and bar featuring the serving of alcohol containing beverages, particularly, local, national and international beers and wines, provided on a self-service/self-pour method via multiple taps, and other methods of service, as well as non-alcohol beverages, such as carbonated drinks, teas and bottled water (the "Products") either within a shopping center or free standing structure; or within a non-traditional location (such as an hotel, airport, casino, train station, university, stadium, arena, theme park, military installation or within a convenience store). Each Hoppin'™ Franchise will offer a range of seating options to accommodate a wide range of potential customers who will be able to choose and pour their own alcoholic beverages for consumption based on an electronic authorization and tracking system (hereinafter referred to as "Services", and together with the Products, the "System") at any Hoppin'™ franchised location (hereinafter referred to as the "Business," "Franchise Business," "Franchised Business," "Franchise" or "Taproom"); and

WHEREAS, We identify our System by means of certain trade names, service marks, trademarks, logos, emblems, trade dress and other indicia of origin, including but not limited to the mark "Hoppin'" and such other trade names, service marks, trademarks and trade dress as are now designated (or may be designated hereafter by us in writing) for use in connection with our System (referred to as the "Names and Marks," "Names" or "Marks"); and

WHEREAS, We have entered into an exclusive license ("License Agreement") with Hoppin, LLC for the right to use and sublicense to our franchisees the Names, Marks and other property in connection with the operation of a Hoppin'™ Taproom; and

WHEREAS, We continue to develop, use, and control the use of such Names and Marks to identify for the public the source of Products and Services marketed thereunder and under our System, and to represent the System's high standards of consistent quality, appearance and service; and

WHEREAS, We have established substantial goodwill and business value in our Names and Marks, expertise and System; and

WHEREAS, We have the right to license the System, including our expertise for conducting and operating a business under the mark and design Hoppin'™; and

WHEREAS, Franchisee desires to obtain a franchise from us and we desire to sell a franchise to Franchisee for the right to use the Names and Marks and the expertise for operating a Hoppin'™ Franchised Business, and to obtain the benefits and knowledge of our System including, but without limitation: strategies for site acquisition, build-out, design specifications and décor, distinctive menu items product presentation standards, methods and procedures; specifications for all products (including menu items and retail items, if we authorize you to sell retail items in the future), supplies and equipment; purchasing strategies, inventory management systems, vendor and supplier relationships, cost and pricing strategies; procedures for cleanliness, safety, sanitation and quality control; guest service standards, methods and techniques; employee hiring, training and retention guidelines; strategies for providing efficient operational procedures, our Operations Manual and other written materials, photographs of food, software, website (including our online ordering functionality), forms, contracts, record keeping and reporting procedures; marketing strategies, sales, advertising and marketing and promotional materials; systems and knowledge of, and experience in, the operation and franchising of a Hoppin'™ Taproom; and

WHEREAS, Franchisee recognizes the benefits to be derived from being identified with and licensed by us and Franchisee understands and acknowledges the importance of our high standards of quality, appearance and service and the necessity of operating the Taproom in conformity with our standards and specifications.

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the Parties hereto, intending to be legally bound, do hereby agree as follows:

I. FRANCHISEE'S ACKNOWLEDGEMENT OF BUSINESS RISK AND ABSENCE OF GUARANTEE

Franchisee (and each Owner) hereby represents that Franchisee has conducted an independent investigation of our business and System and recognizes that the business venture contemplated by this Agreement involves business risks and that its success will depend upon Franchisee's abilities as an independent businessperson. We expressly disclaim the making of, and Franchisee acknowledges that it has not received any, warranty or guarantee, express or implied, as to the potential volume, revenues, gross income, margins, profits or success of the Taproom contemplated by this Agreement. Franchisee further acknowledges that none of our employees, or agents has any authority to make any statement, warranty, or guaranty of the potential volume, revenues, gross income, margins, profits or success of the Taproom contemplated by this Agreement and that we have expressly instructed all of our employees not to make any warranty, guaranty, statement, or representation regarding the potential volume, revenues, gross income, margins, profits or success of the Taproom contemplated by this Agreement. Franchisee acknowledges that Franchisee is given the opportunity to clarify any provision of this Agreement that Franchisee may not have initially understood and that we have advised Franchisee to have this Agreement reviewed by an attorney. Franchisee hereby releases us, our employees, shareholders, directors, managers, our affiliated companies and agents from liability based on such representations or agreements, to the extent permitted by law.

Franchisee acknowledges that we have not made, and do not hereby make, any representation or warranty as to potential revenues, income, profits, volume or success of the Franchise or merchantability, performance, condition, fitness or suitability for the Franchisee's purposes of any component of the System, or make any other representation or warranty with respect to the System. We shall not be liable

to the Franchisee for, nor shall the Franchisee's obligations hereunder be affected by, any loss, claim, liability, cost, damage or expense of any kind caused, or alleged to be caused, directly or indirectly, by the System, or any Products or Services, or by an inadequacy of the System for any purpose, or by any defect in, the use or maintenance of, any repairs, servicing or adjustments of, or any interruption or loss of service or use of, the System, or any loss of business, profits, consequential or other damages of any nature.

II. FRANCHISEE'S ACKNOWLEDGMENTS CONCERNING RECEIPT AND THOROUGH EVALUATION OF AGREEMENT

Franchisee acknowledges having received, read, and understood this Agreement, the Franchise Disclosure Document, and attachments thereto. Franchisee further acknowledges that we have accorded Franchisee ample time and opportunity to consult with independent legal counsel and other advisors of its own choosing concerning the potential benefits and risks of entering into this Agreement. Franchisee acknowledges that it has received a completed copy of this Agreement, exhibits, attachments and schedules (collectively, the "Schedules") referred to herein, and agreements relating hereto, as well as the Franchise Disclosure Document at least fourteen (14) calendar days prior to the date on which this Agreement was executed and any money paid for the franchise.

Franchisee acknowledges that he or she has read and understands this Agreement, the Schedules and any agreements relating thereto, and that Franchisee has been advised by a representative of ours to consult with an attorney or advisor of Franchisee's own choosing about the potential benefits and risks of entering into this Agreement prior to its execution.

Franchisee acknowledges that any statements, oral or written, by us or our agents preceding the execution of this Agreement were for informational purposes only and do not constitute any representation or warranty by us. The only representations, warranties and obligations of us are those specifically set forth in the Franchise Disclosure Document and this Agreement. Franchisee must not rely on, and the parties do not intend to be bound by, any statement or representation not contained therein.

Franchisee acknowledges that we will not provide or designate locations for Franchisee, will not provide financial assistance to Franchisee and have made no representation that it will buy back from Franchisee any products, supplies, equipment, technology items (such as computers, point of sale ("POS") system, closed circuit television systems, sound system, alarm system etc.), furnishings, fixtures or signage (including menu boards) purchased by Franchisee in connection with the Taproom, except where we are otherwise required by law or regulation to buy back such items upon expiration or termination of this Agreement.

III. NO PROJECTED OR FORECASTED FRANCHISE SALES, PROFITS OR EARNINGS

We do not make Financial Performance Representations and have not included any such representations in the Franchise Disclosure Document.

Franchisee, and each Owner or other person related to Franchisee who executes this Agreement, acknowledges that neither we nor any officer, director, employee or agent of ours have made, and Franchisee has not received or relied upon, any express written or verbal information, representations, assurances, warranties, guarantees, inducements, promises or agreements concerning the actual, average, projected or forecasted franchise sales, revenues, profits, earnings, margins, or likelihood of success that Franchisee might expect to achieve from operating the Taproom (defined as "Financial Performance Representations"), except as may be in the Franchise Disclosure Document reviewed by Franchisee or its representatives.

IV. RELATIONSHIP OF THE PARTIES

A. Franchisee is an Independent Contractor

During the term of this Agreement, and any renewals or extensions hereof, the Franchisee shall hold itself out to the public at all times, as an independent contractor operating its Taproom pursuant to a franchise from us. This Agreement is not intended to create, and shall not be interpreted as creating, a partnership, joint venture, agency, employment or personal services or similar relationship between us and Franchisee. Franchisee agrees to take such affirmative action as may be necessary, including, without limitation, exhibiting multiple public notices of that fact, the content and display of which we shall have the right to specify. The Franchisee will provide such notices on letterhead, business cards, bank account names, bank checks, and signs at the place of business. The Franchisee is responsible for collecting and remitting Social Security, Medicare, unemployment contributions and/or any other mandated county, state or federal obligations and benefits on behalf of its employees. Franchisee acknowledges that we have no responsibility to ensure that Franchisee's Taproom is developed and operated in compliance with all application of laws, ordinances and regulations and that we shall have no liability in the event the development or operation of the Taproom violates any law, ordinance or regulation.

B. Franchisor Is Not in a Fiduciary Relationship with Franchisee

It is understood and agreed by the Parties hereto that this Agreement does not establish a fiduciary relationship between them, 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. In addition, we shall not have any fiduciary relationship to the Franchisee by virtue of the facts that we may operate a System Advertising Fund (as defined in Section X.B of this Agreement).

It is understood and agreed that nothing in this Agreement authorizes the Franchisee, and the Franchisee shall have no authority, to make any contract, agreement, warranty, lease or representation on our behalf, or to incur any debt or other obligation in our name; and that we shall in no event assume liability for, or be deemed liable hereunder or thereunder as a result of any such action; nor shall we be liable by reason of any act or omission of the Franchisee in its conduct of the Taproom or for any claim, liability or judgment arising therefrom against the Franchisee or us.

The Franchisee represents, warrants and agrees as follows: the Franchisee is duly organized and is in good standing in all jurisdictions where legally required in order to carry on its business, has duly authorized the execution, delivery and performance of this Agreement and all other documents contemplated hereby, which are, or upon signing, will be binding on the Franchisee, such documents do not and will not contravene any other instrument or agreement to which the Franchisee is party and there is no pending litigation, tax claim, proceeding or dispute that may adversely affect the Franchisee's financial condition or impair its ability to perform its obligation under the terms of this Agreement.

It is understood that Franchisee will have sole responsibility for its employees and all acts of its employees, and all employment-related decisions involving wages, benefits, hours of work, scheduling, hiring, firing, discipline, supervision, record keeping, withholding income tax, social security contributions, Medicare contributions, unemployment fund contributions and all other terms and conditions of employment (as described in Section XII.F). The Franchisee must disclose to each of its employees in writing, in a form approved by us in advance, that we are not a "joint employer" of the Franchisee's employees. The Franchisee acknowledges that we do not control the Franchisee's personnel policies, including establishing wage and hour requirements, hiring, firing, setting wages, disciplining, supervising and record keeping of employees.

V. FRANCHISE GRANT

We hereby grant to Franchisee, upon the terms and conditions herein contained and subject to this Agreement, the right, license, and privilege, and Franchisee hereby accepts a franchise under the terms and conditions set forth herein, to operate a Hoppin'™ Taproom that has been assigned a protected territory as set forth in Section VI (referred to as the "Territory"), with the right to use solely in connection therewith our Names and Marks, Products, Services, our advertising and marketing methods, and our System, as they may be changed, improved and further developed from time to time only at the accepted location as set forth in Section VI and provided the Franchisee shall adhere to the terms and conditions hereof.

It is understood and agreed that, except as expressly provided herein or if any other agreement is executed, this franchise includes no right of Franchisee to sub franchise.

Except as provided in this Agreement, Franchisee shall be free to use the materials provided by us in the manner that Franchisee, in Franchisee's sole and absolute discretion, deems most appropriate for the operation of a Hoppin'™ Taproom, provided that Franchisee shall not violate any applicable law, regulation or provision of this Agreement in exercising such discretion.

VI. TERRITORY

Franchisee is not granted an exclusive territory. We grant you a Territory that is a protected territory as defined in this Agreement unless Franchisee operates its Taproom in a Non-Traditional Location. A "Non-Traditional Location" is defined as operating the Hoppin'™ Taproom within a specific facility such as a: hotel, airport, casino, train station, university, stadium, arena, theme park, military installation or convenience store. Franchisees that operate a Hoppin'™ Taproom in a Non-Traditional Location will not be granted a Territory. Therefore, Franchisee may face competition from other Hoppin'™ Taproom businesses (as described below). The location of the Franchise Business shall be: within the State of _____in the county of _____. If the actual Franchise Business address has not yet been chosen, the initial Territory will be defined from the following streets: _____ and _____. The final Territory will be defined from the actual Taproom address once chosen.

The exact "Accepted Location" for the Taproom is:

_____

The protected Territory for a Taproom that is not in a Non-Traditional Location will be: _____ miles driven from any direction of the Taproom.

If the Parties do not select a Territory or choose a Non-Traditional Location in which to operate the Taproom prior to the signing of this Franchise Agreement, then they shall agree to it at a later date, under the terms of this Agreement. Failure to secure a lease for Taproom within ninety (90) days and/or open the Taproom within one hundred and eighty (180) days from the execution of this Agreement will permit us to terminate this Agreement, as provided in Section XXIII.C. The Territory, under the terms of this Agreement and if not operating in a Non-Traditional Location, will normally include up to five (5) miles driven in any direction from the Taproom as defined by Google Maps or a similar computer mapping program. We reserve the right to grant a Territory that is larger or smaller than the five (5) mile area described above, in order to account for more densely or sparsely populated areas. We will determine population based on the most recently published data from the U.S. Census Bureau (or such other source we may indicate to you). Franchisee may not conduct business out of any other location or locations other than the Accepted Location identified above. Due to the nature of the Hoppin'™ business model and Products offered, all Products must be prepared, sold from and Services performed from Franchisee's Accepted Location and within Franchisee's Territory or within the parameters of its Non-

Traditional Locations. Franchisee is prohibited from offering and/or performing catering services. If we authorize Franchisee to offer catering services in the future (currently franchisees are not authorized to offer or perform catering services), Franchisee can perform catering services within its Territory or the parameters of its facility if operating a Non-Traditional Location. Franchisee can sell Products to anyone and serve anyone who comes from anywhere and can perform Services (which would include catering services if we authorize Franchisee to offer catering services in the future) only within its Territory or the parameters of its Non-Traditional Location. However, Franchisee may be able to perform Services in geographic areas outside its Territory or outside the parameters of its Non-Traditional Location under certain circumstances (as further described below).

The Territory, if not operating in a Non-Traditional Location, will be determined by population base, demographics of the surrounding area, traffic patterns, proximity to major roads, available parking, competition, business potential, availability of appropriate sites, adequate square footage, reasonable rent or other conditions important to the successful operation of a Franchised Business as we deem appropriate. The Territory is determined once a location is chosen and approved by us, and will not be altered even if there is a population increase or decrease during the term of this Agreement. The Territory is not dependent upon achievement of certain revenues, market penetration or any other contingency. The boundaries of the Territory described above shall be determined by major topographical features that clearly define contiguous areas such as: Streets, highways, freeways or other roadways, rivers, streams, mountains and underdeveloped land. We determine the size and boundaries of the protected Territory.

Franchisee shall not relocate a Hoppin'™ Taproom that has been assigned a Territory or is within a Non-Traditional Location, without our prior written consent (specified in Section XXII.A). If Franchisee is provided with a Territory then during the term of this Agreement, we shall not establish, nor license another party or entity to establish, a Hoppin'™ Taproom within the Territory outlined above. If Franchisee operates its Taproom in a Non-Traditional Location, Franchisee acknowledges that Franchisee's protected area is only within the parameters of such Non-Traditional Location (such as within a: hotel, airport, casino, train station, university, stadium, arena, theme park, military installation or convenience store) and we have a right to license others and operate company-owned businesses anywhere outside the parameters of the facility where its Taproom is located. If Franchisee decides to open additional Taprooms and buys the rights to additional Franchises, then those separate franchise agreement(s) will dictate the terms of the applicable territory (a separate Franchise Agreement is required for each additional Taproom as defined in Section IX.D of this Agreement).

Franchisee must operate its Taproom within the specific Territory or within the parameters of the Non-Traditional Location as identified in this Section VI. Franchisee may not open a Taproom at any other location other than the Accepted Location that has been set forth in this Agreement or made a part hereof by an addendum attached to this Agreement. Franchisee may accept business, sell Products (this would include retail items if we authorize Franchisee to sell retail items in the future) and serve anyone who comes from anywhere so long as the Products are being prepared, sold from the Accepted Location within its Territory or Non-Traditional Location. Franchisee can also provide Services (this which would include catering services if we authorize Franchisee to offer catering services in the future) to anyone within its Territory or within the parameters of its Non-Traditional Location. We may grant Franchisee permission to sell Products (this would include retail items if we authorize Franchisee to sell retail items in the future) and/or perform Services (this which would include catering services if we authorize Franchisee to offer catering services in the future) outside its Territory or, if operating out of a Non-Traditional Location, away from its facility (as described below). We, company-owned locations and other franchisees have reserve the same right to sell Products and serve anyone who comes from anywhere. Franchisee is prohibited from selling Products (this would include retail items if we authorize Franchisee to sell retail items in the future) and offering Services through any alternative channels of distribution (such as Websites as defined below) without our written approval. If Franchisee is granted permission to sell Products and offer Services through an alternative channel of distribution, per our written approval, Franchisee may sell Products to anyone from anywhere so long as all Products are prepared, sold from Franchisee's Accepted Location without compensation to another franchisee or

company-owned business and Services are performed within Franchisee's Territory or within the parameters of its Non-Traditional Location. Our response to Franchisee's request to offer Products and Services through an alternative channel of distribution will be made by email or any other form of written communication within thirty (30) days after we receive it. Approval may be revoked in our sole discretion.

Franchisee is not restricted as to the geographic area into which Franchisee may attract guests and Franchisee is encouraged to directly advertise and market within its Territory or within the parameters of its facility if operating a Non-Traditional Location, and may end up attracting guests from other geographic areas; however, Franchisee cannot perform any target marketing ("Target Marketing") into any other territory of another franchisee or company-owned business and/or outside the parameters of its facility if operating a Non-Traditional Location. The term "Target Marketing" means a concerted effort by a Franchisee to solicit and obtain business by any type of advertising or marketing directed at all or a portion of another franchisee's territory, company-owned business area or unassigned area. We shall use commercially reasonable efforts to deal with any Franchisee that violates this policy. Failure of Franchisee to refrain from Target Marketing, as described above, may result in termination of this Agreement as specified in Section XXIII.C.

Franchisee can perform Services to anyone within its Territory or within the parameters of its Non-Traditional Location. In an effort to maintain quality, currently we do not authorize our franchisees to offer catering services as our business model. However, if Franchisee is asked to provide perform Services (would include catering services if we authorize Franchisee to offer catering services in the future) outside its Territory or outside the parameters of its facility (if operating out of a Non-Traditional Location) in which there is another franchise or company-owned business, Franchisee must immediately refer that request to the Hoppin'™ business in that geographical area or directly to us. Franchisee must not perform any Services (this would include catering services if we authorize Franchisee to offer catering services in the future) outside its Territory or outside the parameters of its facility (if operating out of a Non-Traditional Location) if another franchise or company-owned business is operating in that area. If the other franchise or company-owned business determines it is in the best interest of the person or business for Franchisee to perform Services, then Franchise can service the person or business. If there is not a Hoppin'™ business in that other area, then Franchisee can provide such Services, however Franchisee must be prepared to refer the person or business to another franchisee when the unassigned area is purchased. We and other franchisees and company-owned businesses must refer persons and businesses that request Services and are within Franchisee's Territory or within Franchisee's facility (if operating out of a Non-Traditional Location) to Franchisee and also reserve the same right to perform Services to persons or businesses who are within Franchisee's Territory (or Non-Traditional Location) if it is determined, to be in the person's or business's best interest, by the franchisee of that territory.

If during the term of this Agreement, Franchisee is unable to promptly and properly provide Products, unable to service guests, or perform Services (this would include catering services if we authorize Franchisee to offer catering services in the future) due to excessive work or other cause, then Franchisee must immediately refer that person or business to another franchise, company-owned business or to us. Failure of Franchisee to: (i) refrain from Target Marketing and/or (ii) refer persons, business and/or Services as described herein, will result in us having the right to terminate this Agreement as specified in Section XXIII.C. For any default of this Agreement which triggers our ability to terminate, then as an alternative to termination, we will have the right, in our sole discretion, to modify or completely eliminate any rights Franchisee may have with respect to the protected area status of the Territory, effective ten (10) days after delivery of written notice to Franchisee.

We encourage Hoppin'™ Taprooms, when owned by different individuals, to work out a referral and advertising arrangement if they are within close proximity of each other (defined as being within a ten (10) mile radius of each other). We must be notified in writing of all such arrangements.

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

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

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

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

d) If Franchisee elects not to provide Products or perform Services to a National Account in conformity with the terms and conditions of the National Account bid or contract, or fails to make an election within the time specified by us, of being offered the opportunity by us, we shall have the right, exercisable in our sole discretion, to:

   i. Provide directly (or through any other affiliate, franchisee utilizing our Marks) Products and/or Services to a National Account location(s) located anywhere on the terms and conditions contained in the National Account bid or contract; and/or

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

e) Neither the direct provision by us (or a franchisee, affiliate or agent of ours) of Products or Services to National Accounts as authorized in (i) above, nor if we contract with another party to provide such Products and/or Services as authorized in (ii) above, shall constitute a violation of Section VI of this Agreement relating to the Franchisee's Territory, even if such Products and/or Services are offered or performed from a location within the Territory or Non-Traditional Location. Franchisee disclaims any

compensation for Products provided or Services performed by others pursuant to this section.

If Franchisee is provided a Territory, Franchisee's rights in the Territory are exactly (and only) as expressly set forth in this Section VI. Except as expressly provided in this Agreement, Franchisee has no right to exclude, control or impose conditions on the location, operation or otherwise of present or future Hoppin'™ (or any other brand) units or distribution channels of any type, franchised or company-owned, regardless of their location or proximity to the Taproom and whether or not they sell Products or provide Services within that area. Franchisee does not have any rights with respect to other and/or related businesses, products and/or services, in which we or any of our persons or entities may be involved, now or in the future.

Any rights not expressly granted to the Franchisee are reserved to us. Such rights reserved to us include but are not limited to the following:

1) Own and/or operate ourselves, and/or authorize others to own and/or operate:

   a) Any kind of business in the Territory or Non-Traditional Location, which is not substantially similar to a Hoppin'™ business, whether or not using the Marks and System and on any terms and conditions we deem appropriate; and

   b) Any kind of business outside of the Territory or outside the Non-Traditional Location, including, without limitation, Hoppin'™ businesses, whether or not using Hoppin'™ Marks and System and on any terms and conditions we deem appropriate;

2) Develop, distribute and sell Hoppin'™ labeled and branded (or any other brand) products and equipment (if developed) to anyone located anywhere (including within the Territory, if applicable) using any channel of distribution other than the operation of a Hoppin'™ Taproom in the Territory or Non-Traditional Location and on any terms and conditions we deem appropriate (including, but not limited to, supermarkets, discount club chains, retail stores, specialty food stores and other similar venues and other channels of distribution such as television, mail, catalog sales, wholesale to unrelated retail outlets or over the Internet);

3) Develop or become associated with concepts other than the Hoppin'™ Taproom franchised hereunder (including dual branding and/or other franchise systems), whether or not using the System and/or the Marks, and award franchises under such other concepts for businesses located and/or operating anywhere;

4) Acquire, be acquired by, sell our assets, sell our stock, membership units, or partnership units to, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not), with units located anywhere. Such transactions may include (but are not limited to) arrangements involving competing outlets and brand conversions (to or from the Hoppin'™ Marks and System). Franchisee agrees to participate at its expense in any such conversion as instructed by us;

5) We may choose in our Business Judgment (as defined in Section XXI of this Agreement) to advertise, offer and sell Products and/or Services through the Internet and other similar venues (no matter where the person is located) without paying any compensation to Franchisee. The Internet is a channel of distribution reserved

exclusively to us and Franchisee may not independently market on the Internet or conduct e-commerce, without our written consent; and

6) Acquire or establish any Websites utilizing a domain name incorporating one or more of the following words: Hoppin', Pinhouse, self-serve, self-pour, self-service, drink, play, different, specialty, style or any variation thereof or any other words that describe the Taproom as determined by us. The term "Website" includes: Internet home pages, as well as other electronic sites (such as social networking sites like Yelp, Facebook, Twitter, LinkedIn, blogs and other applications). Franchisee shall not establish a Website on the Internet using any domain name containing the words listed above or any variation thereof. The Franchisee acknowledges that we have all right, title and interest in and to such domain names, as we shall designate in the Operations Manual. Franchisee must comply with our requirements regarding discussing, advertising or disseminating any information, or otherwise having a presence on a Website, regarding the Taproom. If we approve a separate Website (which we are not obligated to do), then each of the following provisions will apply: (i) Franchisee may neither establish nor use any Website without our prior written approval; (ii) before establishing any Website, Franchisee must submit to us, for our prior written approval, a sample of the proposed Website, including its domain name, format, visible content (including, without limitation, proposed screen shots), and non-visible content (including meta-tags), in the form and manner we may require; and all such work must be performed by us, our affiliates or approved vendors; (iii) Franchisee must not use or modify a Website without our prior written approval; (iv) Franchisee must comply with the standards and specifications for Websites that we may periodically prescribe in the Operations Manual or otherwise in writing; and (v) if we require, Franchisee must establish hyperlinks to our Website and other Websites; and (vi) Neither Franchisee nor any of its employees shall post any information regarding us, our members, managers, officers, or employees, or the System, on any Website or any internet site, without our prior written approval, nor any disparaging statement either during or after termination or expiration of the Agreement. Further Franchisee shall monitor its employees to prevent them from making any such postings. We retain the right to pre-approve Franchisee's use of linking and framing between the Franchisee's website and all other Websites. The Franchisee shall within five (5) days, dismantle any blogs, frames and links between the Franchisee's web pages and any other Websites and cause any advertisements to be removed, if and as requested by us.

We may provide Franchisee, subject to certain terms and conditions, with options, rights of first refusal or similar rights to acquire additional franchises in other areas or areas contiguous to the Territory or Non-Traditional Location. If Franchisee is provided with a Territory, Franchisee's Territory may be altered during the initial term, but only: (i) by mutual consent in writing from both Franchisee and us; (ii) at the time of transfer or renewal as a condition to transfer or renewal; or (iii) for any default of this Agreement which triggers our ability to terminate as described above.

VII. TERM AND RENEWAL OF AGREEMENT

A. Term

The franchise herein granted for a Hoppin'™ Taproom, shall be for a term of five (5) years from the date of execution and acceptance (the "Effective Date") of this Agreement by us and subject to earlier termination as herein provided.

B. Renewal

Franchisee shall have the option to renew this Agreement for up to two (2) additional terms of five (5) years each, provided we are still offering franchises at that time, and further subject to the following conditions, all of which must be met prior to renewal:

1. Franchisee shall give us written notice of its election to renew not more that twelve (12) months and not less than six (6) months prior to the end of the then current term. We will respond to Franchisee's written notice to renew no later than thirty (30) days after receipt of such notice by email or any other form of written communication;

2. Franchisee must not be in default under any provision of the Agreement, any amendment hereof or successor hereto, or any other agreement between us and Franchisee, and Franchisee shall have complied with all the terms and conditions of all such agreements during the terms thereof;

3. Franchisee's right to renew is contingent on satisfactory performance of and full compliance with this Agreement and any renewal agreement. We may refuse to renew or extend the Franchise if: (a) Franchisee has failed to use its best efforts to operate the Franchised Business to our satisfaction; (b) the Franchise is terminable by law or under this Agreement; (c) Franchisee fails to give timely written notice of its exercise of its renewal option; (d) we are withdrawing from franchising in the geographic market Franchisee serves; (e) Franchisee fails to satisfy our then-current standards for new franchisees or (f) Franchisee is in default of this Agreement;

4. Franchisee shall have satisfied all monetary obligations owed by Franchisee to us and our affiliates, and shall have timely met these obligations throughout the previous term;

5. Franchisee shall execute, before the renewal term, our then-current form of Agreement, which agreement shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement. We will charge Franchisee a flat Two Thousand Five Hundred Dollars ($2,500) renewal fee and renewal may be for the same protected area or Non-Traditional Location as outlined in Section VI (if applicable), above;

6. Franchisee's royalty rates will not start over after renewal. For all franchise renewals royalty payments may continue at the Franchisee's current royalty rate or be subject to the terms of the then-current form Agreement, as determined by us in our sole discretion;

7. Franchisee shall comply with our then-current qualification and training requirements;

8. Franchisee must execute a general release, in a form prescribed by us releasing any and all claims against us and our affiliates, and their respective owners, officers, directors, agents and employees, if such release is not in conflict with any local, state or federal laws; and

9. Franchisee shall upgrade, remodel and/or refurbish the Taproom (both inside and outside) in order to meet our then-current standards. Franchisee will update all graphics, signage and all equipment, furnishing, fixtures, technology items (such as computers, POS system, closed circuit television systems, sound system, alarm system etc.) located at the Taproom to meet our then-current requirements. Franchisee will complete all remodeling, modernization, redecoration, or replacements at Franchisee's expense in accordance with our specific standards and specifications.

VIII. FRANCHISEE'S INITIAL INVESTMENT

The Franchisee's initial investment will vary depending upon the size of the Taproom, build out expenses, size of Franchisee's facility, amount of equipment and inventory Franchisee purchases, number of employees Franchisee hires, time of year when Franchisee starts business, implementation of a marketing plan, Franchisee's management skills, economic conditions, competition in the surrounding area and other factors.

Franchisee hereby certifies that he or she has reviewed the estimated initial investment and start-up costs as detailed in the Franchise Disclosure Document, and has sufficient cash resources available to meet said expenses. These start-up costs include the Initial Franchise Fee.

IX. FRANCHISEE'S INITIAL FEES

A. Initial Franchise Fee and Payment

By executing this Franchise Agreement, the applicant agrees to become a Franchisee and pay an Initial Franchise Fee in the amount of Forty-Nine Thousand Nine Hundred Ninety-Five Dollars ($59,995) for a Hoppin'™ Taproom. Additional franchises may be available to those franchisees who have bought at least one franchise, at a reduced fee of Thirty-Nine Thousand Nine Hundred Ninety-Five Dollars ($39,995). This Initial Franchise Fee includes a license to operate a single Hoppin'™ Taproom in a Territory that is up to five (5) miles driven in any direction from the Taproom determined by boundaries as described in Section VI of this Agreement; or, if Franchisee chooses, within a Non-Traditional Location that is site specific. The Initial Franchise Fee includes an affiliate regional web page housed within our national website that may include online ordering functionality, a four (4) week initial training program at corporate headquarters, manuals and up to four (4) days of onsite guidance for either pre-opening or grand opening assistance.

The Initial Franchise Fee per this Agreement is due upon execution of this Franchise Agreement. The Initial Franchise Fee is uniform as to all persons currently acquiring a Hoppin'™ franchise as of the effective date of this Agreement, although this may change, and is nonrefundable. The Initial Franchise Fee shall be paid in a lump sum in U.S. funds and shall be deemed fully earned and nonrefundable in consideration of administrative and other expenses incurred by us in granting this Franchise and for our lost or deferred opportunity to franchise others.

B. Pre-Marketing Fee

The Franchisee shall pay a pre-opening marketing fee (the "Pre-Marketing Fee") of $4,000 per month and is required to be paid for the two (2) months prior to the intended opening date, hence, $8,000 total, to be paid in full on or before the sixtieth (60^{th}) day prior to the originally intended opening date; provided that in the event the opening date is extended, you will pay a pro-rated amount of the Pre-Marketing Fee based on the number of days the opening date is extended. The Pre-Marketing Fee is deemed fully earned and nonrefundable upon payment per the terms of this Franchise Agreement.

C. Time Limit for Opening the Taproom

The Franchisee shall maintain the Taproom in accordance with the provisions and requirements of Section XII hereof, and must secure a lease that has been approved by us (as described in Section XII.S) within ninety (90) days of the execution of this Franchise Agreement ("Effective Date") and open the Taproom for operation (the "Opening") within one hundred and eighty (180) days from the date of execution of this Franchise Agreement. The Opening requires that Franchisee has qualified for and has obtained all necessary licenses and permits needed to sell Products and service guests. We may, in our

discretion, grant Franchisee one sixty (60) day extension past the allotted time within which to secure a lease and/or open the Taproom.

Franchisee's failure to (i) agree on a Territory (unless operating in a Non-Traditional Location) and/or acquire a lease within ninety (90) days from the Effective Date; and/or (ii) timely satisfy the Opening requirement within one hundred and eighty (180) days from the Effective Date; permits us, at our sole discretion, to terminate the Franchise and this Agreement and retain all fees paid by Franchisee, without breach of this Agreement by us as specified in Section XXIII.C.

During the term of this Agreement, the Accepted Location shall be used exclusively for the purpose of operating a Franchised Business and shall be located within the Territory or Non-Traditional Location. In the event the Taproom shall be damaged or destroyed by fire or other casualty, or be required to be repaired, Franchisee shall commence the required repair of the Taproom within thirty (30) days from the date of such casualty or notice of such governmental requirement (or such lesser period as shall be designated by such governmental requirement), and shall complete all required repairs as soon as possible thereafter, in continuity, but in no event later than ninety (90) days from the date of such casualty or requirement of such governmental notice. The minimum acceptable appearance for the refurbished Taproom will be that which existed just prior to the casualty; however, every effort should be made to have the refurbished Taproom include the then-current image, design and specifications of a Hoppin'™ business.

As between us and the Franchisee, the Franchisee shall bear the entire risk of any damage, loss, theft or destruction to the Taproom from any cause whatsoever or requisition of the Taproom by any governmental entity or the taking of title to the Taproom by eminent domain or otherwise (collectively, "Loss"). The Franchisee shall advise us in writing within ten (10) days of any such Loss. No such Loss shall relieve the Franchisee of the obligation to pay Royalty Fees and all other amounts owed hereunder. In the event of any such Loss, we, at our option, may: (a) if the Loss has not materially impaired the Taproom (in our reasonable Business Judgment), require that the Franchisee, upon our demand, place the Taproom in good condition and repair reasonably satisfactory to us as mentioned above; or (b) if the Loss has materially impaired the Taproom and it is substantially destroyed, (in our sole judgment), we may require the Franchisee to repair the existing Taproom or find an alternative location within the Territory within ninety (90) days or soonest possible timeframe according to Franchisee's lease. We may extend this period an additional thirty (30) days at our discretion and failure of Franchisee to comply may result in termination of this Agreement. Upon termination, the Franchisee must return to us the System (including all materials), and we have the first right of refusal to purchase all Assets (as described in Section XXIV.G), but any such purchase price will be reduced to account for the Loss the Franchisee incurred.

It is understood and agreed that, except as expressly provided herein, this Agreement includes no right of Franchisee to sub franchise, which means for the Franchisee to act as a seller of Hoppin'™ franchises.

D. Cooperation Required

Franchisee shall cooperate reasonably with us to ensure that the various actions occur which are necessary to obtain acceptance by us of the Taproom location. In particular, Franchisee shall furnish any pertinent information as may be reasonably requested by us regarding Franchisee's Taproom and finances.

E. Establishing Additional Franchise Businesses

If Franchisee desires to establish and operate additional Hoppin'™ businesses, we may in our sole discretion, grant Franchisee a license to operate a second Taproom for a reduced Franchise Fee of Thirty-nine Thousand Nine Hundred and Ninety-Five Dollars ($39,995). Franchisee must meet minimum

conditions: (a) Franchisee must satisfy our then-current qualifications and training requirements; (b) Franchisee must execute our then-current franchise agreement; and (c) the Franchisee must not be in default of any of the terms of this Agreement plus any other requirements to purchase an additional franchise.

X. OTHER FEES

A. Royalty Fees

In addition to the Initial Franchise Fee described in Section IX above, the following recurring or isolated payments are required to be made by the Franchisee. The Franchisee pays to us a "Royalty Fee" of four to five percent (5%) of total Gross Revenue (as defined below) for each calendar month (for the previous month) based on Franchisee's Royalty Month for the term of this Agreement. The Royalty Fee is due on the fifth (5^{th}) day of each month (for the prior month) and is to be received as we specify in writing. The Royalty Fee is uniform as to all persons currently acquiring a Hoppin'™ Franchise, and is nonrefundable. If the Franchise Agreement is terminated, Franchisee may be required to continue such royalty payments as described in Section XXIV.H.

As used in this Agreement, "Gross Revenue" shall include all revenue accrued from the performance of services in, at, upon, about, through or from the Taproom, whether for cash or credit and regardless of collection in the case of credit, and income of every kind and nature related to the Taproom including but not limited to revenues generated from: the sale and performance of all Products and Services from the Taproom premises or off-site, insurance proceeds and/or condemnation awards for loss of sales, profits or business; and fair market value for any product or service Franchise receives in barter or exchange for products or services it receives. Gross Revenue shall not include: (i) revenues from any sales taxes or other add on taxes collected by Franchisee for transmittal to the appropriate taxing authority; (ii) gratuities paid by guests to Franchisee's employees; (iii) the amount of refunds and/or voided transactions under two percent (2%) Franchisee in good faith gives to guests and guest refunds of previous payments Franchisee made; (iv) the retail value of any trade-outs, complimentary (free) Products and/or Services offered to guests or employees up to a maximum of three percent (3%) of Gross Revenues for the Taproom; and (v) gift card sales Franchisee makes from its Taproom. For clarity, in no event may Franchisee exclude or deduct from Franchisee's Gross Revenues more that the three percent (3%) as described above. We have the right to change, modify or discontinue Franchisee's ability to exclude complimentary Products and/or Services, from Franchisee's Gross Revenue calculation for any reason whatsoever upon ninety (90) days' written notice to Franchisee.

Any payment or report not actually received by us on or before the specified date shall be deemed overdue. If any payment is overdue, in addition to the right to exercise all rights and remedies available to us under this Agreement, Franchisee shall pay us a fee of Twenty-Five Dollars ($25), in addition to the overdue amount, interest on such amount from the date it was due until paid at the rate of one and one half percent (1.5%) per month or the maximum rate allowed by the laws of the State in which Franchisee's Taproom is located or any successor or substitute law (referred to as the "Default Rate"), until paid in full.

B. System Advertising Fee

Franchisee will pay a System Advertising Fee equal to two percent (2%) of Gross Revenues per calendar month to be paid in the same manner as the royalty obligation that begins immediately once the Taproom is open for operation and continues for the term of the Agreement (as defined in Section X.A). We can increase the System Advertising Fee, and such increase will not exceed more than three percent (3%) of Franchisee's Gross Revenues in any calendar year (and for the term). If we increase the System Advertising Fee, Franchisee will be given ninety (90) days' notice prior to such increase.

The System Advertising Fee is to be received by on or before the fifth (5th) day of each month for the prior month. This fee will be deposited into our System Advertising account (the "Fund") for ongoing technology or new product development (including recipes and menu items) or equipment development, and such national advertising or public relations programs as we, in our sole discretion, may deem appropriate to promote the Marks. The Fund may also be used for local franchisee group advertising or marketing and Franchisee advisory council expenses; local, regional, national or international advertising or marketing; administration of advertising and marketing (including salaries, accounting, collection, legal and other costs), related expenses and any media (including media production costs) or agency costs. We will direct all such programs, and will have sole discretion over the creative concepts, materials, endorsements and media used in such programs, and the placement or allocation of such programs. We reserve the right to determine in our sole discretion the composition of all geographic territories and market areas for the implementation and development of such programs. Hoppin'™ Taprooms owned or operated by us or our affiliates will contribute to the same basis to the Fund.

We may disclose the identity of vendors who pay promotional allowances to us upon request and only after Franchisee's signing an appropriate non-disclosure agreement. If we require Franchisee to buy items from a vendor who pays these allowances, we may do one of the following: (i) place all or some of the allowances in the Fund or (ii) spend them directly on related advertising. This does not apply to fees we receive from purchases that are not required to be made from a specified source. We are not obliged to spend more on advertising and marketing than the amount of the Fund. Any unspent balance in the Fund at the end of the year may be carried over to later years and used for the purposes described in this Agreement. Neither we nor any of our members has any fiduciary duty to the Franchisee regarding any System Advertising Fund.

Franchisee's failure to pay required System Advertising Fees is a material breach of this Agreement, subjecting Franchisee to all remedies at law and as set forth in this Agreement. We may remove Franchisee from advertising or marketing materials without notice if Franchisee fails to timely remit its System Advertising Fee.

C. Local and Social Media Advertising/Website

Franchisee must pay us Four Thousand Dollars ($4,000) each month for local and social media advertising and promotion, and website maintenance, in addition to payment of the System Advertising Fee required above. You pay this $4,000 to us at the same time you pay your Royalty Fee. Of this amount, you must spend $1,000 on local advertising and promotion. We will administer and manage this $1,000 local advertising and promotion campaign expenditure on your behalf utilizing part of the $4,000. We will also manage all local social media platforms (Instagram, Facebook, TikTok, Yelp, Google), provide two professional photo shoots and one professional video shoot per year, and provide a dedicated marketing staff person to facilitate our communications and requests. This requirement payment period starts immediately once your Taproom is open for operation and will be pro-rated for your first month taking into account when you open your Taproom for operation. We will manage these advertising and promotion materials and related website pages. We shall have the right to approve or disapprove any advertising proposed for use by Franchisee. Franchisee may choose to otherwise advertise the Business any way it chooses so long as such advertisements and marketing materials are approved by us (as described in Section XII.L) and are in the format as specified in our operations manual.

D. Electronic Funds Transfer

We reserve the right to require Franchisee to remit fees and other amounts due to us hereunder via electronic funds transfer or other similar means utilizing our approved computer system or otherwise. If we notify Franchisee to use such payment method, Franchisee agrees to comply with procedures specified by us and/or perform such acts and deliver and execute such documents including authorization, in the form attached to this Agreement as Schedule 1 "Authorization Agreement for Prearranged Payments" for direct debits from Franchisees' business bank operating account, as may be

necessary to assist in or accomplish payment by such method. Under this procedure, Franchisee shall authorize us to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of fees and other amounts payable to us and any interest and related processing fees charged due thereon. Franchisee shall make funds available to us for withdrawal by electronic transfer no later than the due date for these payments. If Franchisee has not timely reported its Gross Revenue to us (as defined in Section X.A) for any reporting period, then we shall be authorized, at our option, to debit Franchisee's account in an amount equal to (a) the fees transferred from Franchisee's account for the last reporting period for which a report of the Taproom's Gross Revenue was provided to us as required hereunder or (b) the amount due based on information retrieved from our approved POS or computer system (whichever is greater).

E. Technology and Software Fees

Franchisee will be required to use specific point of sale "POS" system and software for the operation of the Taproom and must use our approved vendors for such system and software. The POS software is specific to the taproom industry that tracks the sale of all Products and incorporates contact management and reporting functionality. The current technology fee is for POS support, the usage of the software in addition to ongoing software support and is currently Seventy-Five to One Hundred Fifty Dollars ($75-$150) per month for unlimited users regardless of how many POS systems Franchisee has at its location and is paid to our approved vendors. It is Franchisee's responsibility to install, maintain and upgrade any hardware necessary to operate the POS system including networking and software at its own expense. We also require you to use the Spothopper Marketing Software, which currently costs you $449 per month, and is currently included in the $4,000 local and social media advertising and promotion fee you pay.

It is Franchisee's responsibility to install, maintain and upgrade any hardware necessary to operate the POS system and software at its own expense. The use of the POS software, as described above, may require Franchisee to sign a third-party license agreement. Franchisee acknowledges that technology and software fees may be changed in response to any increase in the United States Consumer price Index; if we or our vendors make more functionality and/or features available; or if we or our vendors believe that conditions in the overall economy or in the market for such software functionality warrant any change in fees. We, at our sole discretion, may change such software requirements (including fees, programs, codes and/or vendors) at any time and will provide Franchisee with ninety (90) days' written notice to implement such changes. Franchisee acknowledges that Franchisee must comply with such changes in software requirements at its own expense. If Franchisee fails to use POS software and/or fails to comply with our technology and software fee requirements as stated above, such failure may be deemed a material breach of this Agreement subjecting Franchisee to all remedies at law and as set forth in this Agreement.

F. Music Subscription Fee

Franchisee is required to purchase a commercial fee music subscription from our approved vendors for the operation its Taproom. Such music subscription allows Franchisee the ability to have streaming commercial free music in the Taproom. Music subscription fees range from One Hundred to Five Hundred Dollars ($100-$500) per month and are payable to our approved vendors. Music subscription fees are non-refundable. It is Franchisee's responsibility to install and upgrade any equipment and software required for such music subscriptions for its Taproom. We, at our sole discretion, may change such music subscription requirements at any time and will provide Franchisee with ninety (90) days' written notice to implement such changes. Franchisee acknowledges that Franchisee must comply with such changes in music subscription requirements at its own expense. If Franchisee fails to comply with our music subscription requirements within the timeframe stated above, such failure may be deemed a material breach of this Agreement subjecting Franchisee to all remedies at law and as set forth in this Agreement.

G. Security Alarm Fee

Franchisee is required to use a professional security alarm monitoring service for its Taproom. It is Franchisee's responsibility to find, hire and manage its security alarm system (this includes installing all necessary security alarm monitoring equipment necessary at its expense). The cost for such security alarm service fees range from Fifty to One Hundred Dollars ($50-$100) per month and is payable to our approved vendors or third parties. We may, at our sole discretion, change such security alarm monitoring service requirements at any time and will provide Franchisee with ninety (90) days' written notice to implement such changes. Franchisee acknowledges that Franchisee must comply with such changes in security alarm monitoring requirements at its own expense. If Franchisee fails to comply with our new security alarm monitoring requirements within the timeframe stated above, such failure may be deemed a material breach of this Agreement subjecting Franchisee to all remedies at law and as set forth in this Agreement.

H. Laundry Service Fee

Franchisee is required to use a professional laundry service that is scheduled to clean Franchisee's aprons, towels, mats and mops on a weekly basis. It is Franchisee's responsibility to find and hire a professional laundry service that meets our standards. Our approved vendors also provide facility supply services, such as paper products, soaps, chemicals, towels, and door mats. We will provide Franchisee with a written list of cleaning standards and recommended procedures to follow when hiring a laundry service during the initial training program. The cost for such laundry services range from Seven Hundred to One Thousand Two Hundred Dollars ($700-$1,200) per month and is payable to our approved vendors or third parties. We may, at our sole discretion, change such professional laundry service requirements at any time and will provide Franchisee with ninety (90) days' written notice to implement such changes. Franchisee acknowledges that Franchisee must comply with such changes in laundry service requirements at its own expense. If Franchisee fails to comply with our new laundry service requirements within the timeframe stated above, such failure may be deemed a material breach of this Agreement subjecting Franchisee to all remedies at law and as set forth in this Agreement.

I. Inspection Fee

To maintain the highest degree of quality and service, we reserve the right to charge Franchisee Two Thousand Five Hundred Dollars ($2,500) inspection fee if we or our affiliates inspects the Taproom and it does not pass the inspection for a second time in any two (2) year period. We may, at our sole discretion, change such inspection fees at any time and will provide Franchisee with ninety (90) days' written notice to implement such changes. Franchisee acknowledges that Franchisee must comply with such changes in inspection fee requirements at its own expense. The foregoing shall be in addition to any other remedies we may have pursuant to this Agreement.

J. Product, Vendor and Equipment Assessment Fee

Franchisee must obtain our written approval for such products, vendors or suppliers and any type of equipment Franchisee wishes to offer or use in its Taproom (as described in Section XII.I of this Agreement). Franchisee will pay an assessment fee for our approval of any product (including menu item or retail item if we allow Franchisee to sell retail items in the future), vendor, supplier or any piece of equipment (to the extent not then on our list of approved products, vendors or equipment), which may also require third party testing. The assessment fee is Two Hundred Dollars ($200) for a single product (including menu or retail item) and/or vendor or supplier that Franchisee wishes to offer, use and/or substitute in its Taproom. The fee for any type of equipment testing is a minimum of Five Hundred Dollars ($500) per piece or the actual cost incurred by us. We may waive these fees if the products, vendors, suppliers and/or pieces of equipment that the Franchisee selects meet our requirements and make it on our approved list of products, vendors or suppliers and equipment for all franchise locations.

XI. FINANCING ARRANGEMENTS

Franchisee hereby acknowledges that financing is the responsibility of the Franchisee. We do not finance or guarantee the obligations of the Franchisee for a Hoppin'™ Taproom. The Initial Franchise Fee is due and payable upon execution of this Agreement and as set forth in Section IX.A of this Agreement.

XII. GENERAL OBLIGATIONS OF FRANCHISEE

A. Follow Operations Manual and Directives of Franchisor

Franchisee agrees that use of our System and adherence to our Operations Manual (the "Operations Manual" or "Manual") and compliance with our standardized design and specifications for decor and uniformity of the Taproom are essential to the image and goodwill thereof. The Manual contains mandatory and suggested specifications for the Taproom, standards and operating procedures and further define Franchisee's obligations under this Agreement. We may change or add to the Manual to reflect changes in its image, specifications and procedures and methods of operation and will lend Franchisee copies of any changes or additions. Franchisee shall cooperate and assist us with any type of marketing research program, which we may institute from time to time. Franchisee's cooperation and assistance shall include, but not be limited to, test marketing new services or products, purchasing a reasonable quantity of equipment or products to be tested, providing communication with us regarding such testing programs, the distribution, display and collection of surveys, comment cards, questionnaires, evaluations and similar items.

B. Operate Franchised Business Only

Franchisee shall use the System and the Names and Marks provided to Franchisee by us for the operation of the Taproom and shall not use them in connection with any other line of business or any other activity. Neither Franchisee, nor any of its employees, may conduct any business at the Taproom other than that authorized pursuant to this Agreement, without our prior written approval. Neither Franchisee, nor any of its employees, may conduct any activity at the Taproom or in connection therewith which is illegal or which could result in damage to our Names and/or Marks or our reputation and goodwill. Franchisee will not allow the Franchised Business to be used for any immoral, unethical, unauthorized or illegal purpose.

Franchisee must conduct all business through its Taproom unless otherwise approved by us in writing. Franchisee must disclose to us any pre-existing businesses and if Franchisee is converting their existing business into a Hoppin'™ Taproom then Franchisee agrees and deliver to us, along with a signed copy of this Agreement, the Schedule 2 "Pre Existing Businesses" attached to this Agreement.

C. Comply with Laws

Franchisee shall comply with all federal, state and local laws, ordinances, consumer protection laws and regulations, wage and hour laws, labor laws, workers compensation and unemployment laws, zoning laws, fire codes, building construction (including zoning classifications and clearances) and indoor air quality and shall obtain and at all times maintain any and all governmental licenses, permits, industry specific licenses or certificates, laws and regulations relating to occupational hazards and health such as Occupational Safety and Health Administration ("OSHA"), or that may be required for full and proper operation of the Taproom franchised under this Agreement in Franchisee's state of operation. Franchisee agrees to keep Franchisee and its employees informed of, and to comply with all laws, regulations and rulings issued by the U.S. Food and Drug Administration ("FDA") and any other applicable state and local health agency. Franchisee must adhere to safe food handling practices, food testing laws and regulations that are in force or as they become applicable. Franchisee acknowledges that federal, state or local authorities may adopt laws and regulations affecting the content or make-up of food

served in businesses and requiring that food being served in businesses are tested for gluten and other contents and other testing and also disclosure laws. Our standards may exceed any and all of the requirements of said laws and regulations. In addition, Franchisee must maintain an above average rating or score for all health department inspections and failure to do so may result in termination as described in Section XXIII.C.

In addition, with respect to all credit card transactions and guest information obtained through credit card usage, Franchisee agrees to diligently comply with all laws and rules regarding such usage and Franchisee will protect the privacy of credit card users. Franchisee must be at all times in compliance with the Payment Card Industry Data Security Standards ("PCI Compliant"). Franchisee also agrees to forward to us copies of any and all notices, inspection reports or other communication from any governmental entity with respect to the conduct of a Hoppin'™ Taproom that indicates the Franchisee's failure to meet or maintain governmental standards, or less than substantial compliance by the Franchisee with any applicable law, rule or regulation, within five (5) days of the Franchisee's receipt thereof. Franchisee agrees to indemnify us under Section XVIII of this Agreement, which includes any claims arising out of Franchisee's failure to perform its obligations as described above.

It is Franchisee's sole responsibility and absolute obligation to research all applicable federal, state and local laws and regulations governing the operation of a Hoppin'™ Taproom. Franchisee must secure and maintain in force all required licenses, permits and certificates relating to the operation of its Taproom and must at all times operate the Taproom in full compliance with all applicable laws, ordinances and regulations (including without limitation, regulations relating to fictitious name registrations, sales tax permits, fire clearances, safety, truth in advertising, occupational hazards, indoor air quality, health, laws relating to non-discrimination in hiring and accessibility, worker's compensation and unemployment insurance). In addition, Franchisee must comply with consumer protection laws and regulations concerning preparation, handling and storage, "Truth in Menu" concerning menu item names, product content, labeling and nutritional claims. We make no representations or assurances as to what inspections, licenses, permits, authorizations or otherwise will be required for Franchisee in the Franchisee's area in connection with its Taproom. It is Franchisee's sole responsibility to identify and obtain all licenses, permits, certifications and authorizations necessary for operation. Franchisee agrees to maintain high standards of honesty, integrity, fair dealing and ethical conduct in all business activities.

Franchisee shall agree to comply and/or assist us in our compliance efforts, as applicable, with any and all laws, regulations, Executive Orders or otherwise relating to antiterrorist activities, including without limitation the U.S. Patriot Act, Executive Order 13224 and related U.S. Treasury and/or other regulations. In connection with such compliance efforts, Franchisee agrees not to enter into any prohibited transactions and to properly perform any currency reporting and other activities relating to the Franchise Business as may be required by law. Franchisee is solely responsible for ascertaining what actions must be taken by Franchisee to comply with all such laws, orders and/or regulations, and specifically acknowledge and agree that Franchisee's indemnification responsibilities as provided in Section XVIII pertain to Franchisee's obligations hereunder. Franchisee agrees to sign and deliver to us, along with a signed copy of this Agreement, the attached Schedule 3 "Executive Order 13224 and Related Certifications."

A Hoppin'™ Taproom is designed, constructed and is to be operated in compliance with all local, state and federal laws, including (without limitation) the American with Disabilities Act ("ADA"). Even though we may have designed the Taproom space, Franchisee is responsible for compliance with all applicable federal, State and local laws and regulations concerning access by people with disabilities. We must first approve any required modifications to the Taproom and are Franchisee's sole responsibility and expense. Franchisee agrees to execute and deliver to us an ADA Certification in the form attached to this Agreement as Schedule 4 before Franchisee opens the Taproom and to confirm and certify that the Taproom and any proposed renovations comply with the ADA requirements.

D. Maintain Confidentiality of Proprietary Information

Neither Franchisee nor any of its Owners if you are an Entity, officers, directors, agents, employees or independent contractors, except as required in the performance of the duties contemplated by this Agreement, may disclose or use at any time, whether during the term of this Agreement or thereafter, any confidential and proprietary information disclosed to or known by Franchisee or any such person as a result of this Agreement. Such information, includes, but shall not be limited to our confidential matters and trade secrets such as our: strategies for site acquisition, build-out, design and décor specifications; distinctive Products, Services, specific food and drink preparation and presentation standards, methods, procedures including food and beverage storage standards; specifications all products, supplies and equipment; purchasing strategies, inventory management systems, vendors and supplier relationships, cost and pricing strategies, procedures for cleanliness, safety, sanitation and quality control; guest service standards, methods and techniques; operational procedures and Operations Manual, employee hiring, training and retention guidelines; menu boards, photographs of food, sales, marketing programs, advertising, marketing and promotional materials; software, website (including our online ordering functionality), forms, contracts, record keeping, reporting procedures and accounting methods, proprietary information conceived, originated, discovered, or developed by Franchisee or by any employee of Franchisee which is not generally known in the trade or industry about our Products or Services, including information relating to discoveries, ideas, production, purchasing, accounting, engineering, website development and design, marketing and selling of our Products and Services (collectively referred to as "Confidential Information" and further defined in Section XVI.A of this Agreement).

Franchisee further acknowledges that the Confidential Information was unknown to Franchisee prior to negotiation for and execution of this Agreement and that the unique and novel combination of "know how," Products, Services, equipment, specific food and beverage preparation methods, techniques, procedures, presentation standards and methods of service developed by us and licensed to Franchisee for the operation of a Hoppin'™ Taproom are particular to the self-serve bar style industry conducted by a Hoppin'™ Taproom. Franchisee agrees to take all steps necessary, at Franchisees expense, to protect the Confidential Information and shall not release it to any person that does not have a need to know, including employees, agents and independent contractors, either during the term or after the termination or expiration of this Agreement without our prior written consent.

Franchisee further agrees that it will not contest in any litigation, arbitration, mediation, or in any other manner our ownership rights to any or all of the above Confidential Information.

E. Maintain and Renovate the Taproom

Franchisee shall at all times maintain the Taproom in a clean, orderly condition and in first class repair in accordance with all maintenance and operating standards set forth in the Manual. Franchisee shall make, at Franchisee's expense, all additions, repairs, replacements improvements and alterations that may be determined by us to be necessary so that the facilities which are viewed by the public will conform to the uniform corporate image, as may be prescribed by us from time to time. Franchisee shall undertake and complete such additions, repairs, replacements, improvements and alterations within the time and under the terms and conditions, which we may reasonably specify.

If at any time, in our sole and absolute discretion, the general state of repair, appearance or cleanliness of the Taproom or its equipment, fixtures, furnishings or signage does not meet our standards, Franchisee expressly agrees that we have the right to notify Franchisee, specifying the action Franchisee must take to correct the deficiency. If Franchisee does not initiate action to correct such deficiencies within ten (10) days after Franchisee receives notice from us, and then does not continue in good faith and with due diligence, a bona fide program to complete any required maintenance and refurbishing, we have the right, in addition to all other remedies, to enter the premises of the Taproom and do any required

maintenance or refurbishing on Franchisee's behalf, and Franchisee agrees to reimburse us on demand for any expenses we incur.

Franchisee shall maintain and renovate the Taproom at its expense, to conform to our design, trade dress, color schemes, and presentation of trademarks and service marks consistent with our designated image, including, without limitation, remodeling, redecoration and modifications to existing improvements.

F. Maintain Competent Staff

We will create, and make available to Franchisee and its Owners (if Franchisee is an Entity), training programs and other selected training materials, as we deem appropriate. Franchisee must staff a position to have day-to-day supervision for the operation and management of the Taproom (referred to as "General Manager") and the identity of the General Manager must at all times be disclosed to us. Franchisee's Taproom must be personally managed on a full-time basis by a General Manager who has successfully completed our mandatory training and meets our then-current standards. The General Manager may, but need not, be Franchisee or one of the Owners of the Taproom and must be responsible for overseeing the general management of Franchisee's Taproom however does not relieve Franchisee of its responsibilities to do so. Franchisee's General Manager must be readily and continuously available to us. Franchisee will keep us advised, in writing, of all management personnel involved in the operation of the Taproom and upon termination of its General Manager Franchisee must appoint a successor within sixty (60) days. Franchisee must have their replacement General Manager (who we may disapprove in our sole and absolute discretion) trained by us at our corporate headquarters or any other location we specify at Franchisee's expense. Franchisee's replacement General Manager must attend our training program within thirty (30) days of employment for a fee and subject to space availability. Currently the fee is One Thousand Five Hundred Dollars ($1,500) per person per day as described in Section XX.A of this Agreement. Franchisee, its Owners and/or General Manager is responsible for all travel, room and board and food. We have the right to require that Franchisee's General Manager be at the Taproom for any inspection we, our affiliates or third parties conduct.

Franchisee acknowledges that it is Franchisee's sole and absolute responsibility to hire and train bartenders, cashiers, and other employees for various positions and any administrative staff (referred to as "Employees") in an effort to make all Products and serve guests according to our standards as outlined in the Operations Manual and Section XX.E of this Agreement. Such courses can be taken in a classroom setting or in some states can be completed over the Internet. Franchisee is solely responsible for Employee's terms of employment, compensation and the proper training in the operation of a Hoppin'™ Taproom. As Franchisee hires a General Manager and Employees, Franchisee can negotiate any rate for such services that is consistent with applicable federal and state laws and regulations. Franchisee is solely responsible for all employment decisions and functions, including hiring, firing, establishing wage and hour requirements, training, disciplining, supervising, performance and record keeping. Franchisee acknowledges that at no time will Franchisee for any of its Employees be deemed to be employed by us.

Franchisee must not use unethical or illegal tactics to recruit employees. Franchisee shall properly hire Employees which may include carefully screening Employees by the use of background checks before employing them, to ascertain fitness for employment. Specifically, Franchisee must use its best efforts, including taking every action required by applicable laws especially related to criminal background checks of persons working in the Taproom, to ensure that no person is employed who has a record of theft, child molestation or abuse, immoral conduct, drug, alcohol or substance abuse; criminal behavior or any other pattern of conduct which might jeopardize the welfare of the guests or reflect adversely on our reputation or the System (if Franchisee chooses to perform background checks). Franchisee will indemnify us (as described in Section XVIII) for all claims arising out of or relating to Franchisee's Employees and Franchisee's hiring, firing and discipline decisions regarding employees

including payment of wages, overtime and any applicable benefits, as well as failure of Franchisee to utilize background checks on any potential employee.

Franchisee will require its Employees to wear uniform dress bearing one or more of the Marks while working at the Taproom, and shall be of such design and color as we may prescribe from time to time, as set forth in the Operations Manual.

Franchisee will keep us advised, in writing, of all management and non-management personnel involved in the operation of the Taproom.

G. Open Taproom within Time Limit

Time is of the essence. Franchisee must secure a lease within ninety (90) days of the execution of this Franchise Agreement and open the Taproom for operation within one hundred and eighty (180) days of the date of execution of this Franchise Agreement that includes having obtained our approval prior to opening, subject to Section IX.B of this Agreement. Prior to opening, Franchisee shall complete, to our satisfaction, all the build-out and preparations of the Taproom, in accordance with specifications set forth in the Operations Manual and as required by local governmental agencies, including installation of all equipment, furnishings, fixtures and signage (including menu boards); acquire all technology items (such as: computers, POS system, closed circuit television systems, sound system, alarm system etc.) and an inventory of products and supplies; complete our initial training program, and provision to us all required local information, artwork and photos for the completion of the Franchisee's web page.

H. Operate Taproom in Strict Conformity to Requirements

Franchisee must prepare and sell all Products, offer approved Serves, serve guests and operate the Taproom in strict conformity with such standards, techniques, and operational procedures as we may from time to time prescribe in the Operations Manual, or otherwise in writing, and shall not deviate without our prior written consent. Franchisee also agrees to purchase all equipment (as defined in Section XII.I) and technology items (such as computers, POS system, closed circuit television systems, sound system, alarm system etc.) and to operate, service, repair, maintain and clean all such items according to our standards as outlined in the Operations Manual. Franchisee must keep all equipment and technology items in clean and good working order at all times and purchase only approved parts to repair its equipment and technology items from our approved vendors and suppliers. All maintenance to the equipment and technology items that cannot be completed by Franchisee must be performed by our approved vendors. Unless otherwise agreed by us in writing, in no event shall Franchisee use any piece of equipment or technology item that is more than ten (10) years old. Franchisee agrees to replace all equipment and technology items at Franchisee's expense as such items (i) become obsolete or inoperable; or (ii) if, in our sole discretion, replacement is necessary because of new functionality, change in software, change in methods of service or because of health or safety considerations. Franchisee has ninety (90) days after Franchisee receives written notice from us to either remove or replace such equipment or technology item. Failure of Franchisee to remove, replace and/or maintain its equipment and/or technology items as described above may result in termination as described in Section XXIII.C of this Agreement.

Franchisee is required to use, sell and offer only approved Products and Services which meet our standards of quality and which we have approved in writing to be offered in connection with the Taproom. Products that Franchisee is authorized to use is described in Section XII.I of this Agreement. Due to the nature of our business model, all Products must be prepared, sold from Franchisee's Accepted Location and all Services performed within its Territory or the parameters of its Non-Traditional Location. Franchisee is prohibited from offering and/or performing catering services (we may in the future allow our franchisees to offer catering services if circumstances change). If we authorize Franchisee to offer catering services in the future, such catering services must be executed according to

our standards and must be performed within the Franchisee's Territory or within the parameters of its Non-Traditional Location, unless otherwise approved by us in writing (as described in Section VI). Franchisee is also not permitted to sell Products (this would include retail items if we authorize Franchisee to sell retail items in the future) through any alternative channels of distribution whether known or hereinafter invented. Franchisee is also required to offer any proprietary rewards programs ("Rewards Programs") we may establish (currently we do not have any rewards programs in place but expect to do so in the future). The Rewards Programs are expected to be a repetitive use programs for guests that provides incentives after so many points are acquired relative to dollars spent and also geared towards building brand awareness. If we implement any type of Rewards Program, we will provide Franchisee with a ninety (90) days' notice to implement such program and Franchisee will be required to implement such program at its own expense. Franchisee agrees to discontinue selling, and/or offering Products, Services and Rewards Programs that we may, in our sole discretion, disapprove in writing at any time. There are no limits on our right to change, modify or discontinue any Product, Service or Rewards Program Franchisee is authorized to sell and offer from or in its Taproom. We will provide Franchisee with a written list of Products, Services, Rewards Programs and other promotional programs Franchisee is required to offer during the initial training program. Nothing in this Agreement shall be construed to be a promise or guarantee by us as to the continued existence of a particular Product, service, or Rewards Program; nor shall any provision herein imply or establish an obligation on our part to reinstate any Product, Service or Rewards Programs discontinued by us or for any liability to Franchisee for any loss revenue incurred by Franchisee as a result of our decision to discontinue a particular Product, Service or Rewards Program. We will provide Franchisee with ninety (90) days' notice to implement such Product, Service or Rewards Program changes and Franchisee agrees to immediately comply with such changes at its own expense. We may periodically meet with a representative group of franchisees and solicit their input prior to discontinuing any Product, Service or Rewards Programs.

Franchisee agrees to prepare and offer such Products and Services in the manner and style we specify, which may, from time to time, be amended or modified in writing (email or any other form of written communication), designated and approved by us. Franchisee must prepare all Products in accordance with our recipes, preparation standards, methods, techniques, processes and presentation standards as designated by us which may, in our sole discretion, change from time to time. However, upon our written approval, Franchisee has the flexibility to add any Product that is specific to its geographic area as long as the Product complies with our standards as specified in the Operations Manual. We will respond to Franchisee's request to implement a Product within thirty (30) days from the date the request is received and we will respond by email or any other form of written communication. We have the right to require, as a condition of our approval and review, that Franchisee submit to us all materials and supporting documentation describing such Product that Franchisee wishes to offer in its Taproom. Franchisee shall pay the cost of such investigation for approval (if applicable) and we shall not be liable for denying Franchisee's request. We may revoke our approval in our sole discretion where such Product no longer adheres to our standards as specified in the Operations Manual. Franchisee acknowledges that all preparation, recipes, techniques, processes and presentation and guest service standards are integral to the System and failure to adhere to such preparation, recipes, techniques and processes and guest service standards are detrimental to the System. Franchisee must not deviate from our required procedures for preparing food, recipes, techniques, processes, presentation and guest service standards or by the use of non-conforming items or differing amounts of any items without first obtaining our written request. Failure of Franchisee to (i) use, sell, offer, change, modify or discontinue any Product, Service or Rewards Program; (ii) adhere to our preparation standards, recipes, techniques, processes and presentation standards; and/or (iii) adhere to serving guests according to our standards as outlined above will result in termination of this Agreement as specified in Section XXIII.C.

Franchisee agrees to fully comply with all mandatory specifications, standards, operating procedures and rules in effect which may change from time to time relating to: safety, maintenance, cleanliness, sanitation, usage of software, professional laundry services, alarm monitoring services,

commercial free music subscriptions, function and appearance of the Taproom and its equipment, décor and signage (including menu boards). Nothing in this Agreement shall be construed to imply or establish an obligation on our part to incur any liability to Franchisee for any loss of revenue incurred by Franchisee as a result of our decision to change, modify or discontinue our specifications, standards, operating procedures. Franchisee agrees that we have the right, in our sole discretion, to change, modify, add or discontinue any such specifications, standards and operating procedures. We will provide Franchisee with ninety (90) days' notice to implement such specifications, standards and operating procedure changes and Franchisee agrees to immediately comply with such changes at its own expense. Failure of Franchisee to adhere to our specifications, standards and operating procedure requirements, as described above, may result in termination as described in Section XXIII.C of this Agreement.

Franchisee must accept credit cards and debit cards and other types of payments as specified by us, which may change from time to time. Franchisee shall also offer for sale, and will honor any incentive, coupon or gift cards or Rewards Programs (as described above), which we may institute from time to time, and Franchisee shall do so in compliance with our standards and procedures for such programs to the extent permitted by the laws of the Franchisee's state. These programs may include, without limitation, membership programs, repetitive use for service programs, co-op programs and other local and national activities. Franchisee's full and complete participation in such programs are required. Except as otherwise provided herein, compliance and participation shall be at Franchisee's expense.

Franchisee must respond promptly to all inquiries and complaints in order to achieve guest satisfaction as specified in the Operations Manual. If Franchisee does not provide guests with satisfactory service and/or fails to resolve complaints at the time complaint is registered or if Franchisee violates operating standards or this Agreement, we may, in addition to our other remedies, complete the services and bill the Franchisee for such services. Franchisee shall reimburse us for any expense incurred. In addition, there may be other System oriented programs designed to promote to the public the quality care and service that we may wish to implement on a system-wide basis and advertise and market. Franchisee shall be required to participate in the then-current specials or promotions as may be developed by us and as may be modified periodically by us, in our sole discretion.

We may institute various programs designed to verify guest satisfaction and/or Franchisee's compliance with all operational and other aspects of the System, including (but not limited to) a toll-free number, online surveys, guest comment cards, secret shoppers or otherwise. We will share results of such programs as they pertain to Franchisee's Taproom, with Franchisee and Franchisee will reimburse us for all costs associated with any and all such programs provided that Franchisee is not in compliance with this Agreement and the System.

Franchisee recognizes that one of our primary methods of communication with franchisees is through newsletters and/or memos we may periodically publish and an intranet system we will provide to franchisees on our website. Franchisee is responsible for knowing all of the information contained in the newsletters, memos and the intranet system and complying with any standards and specifications provided within them. We may establish and change the specifications, standards and/or procedures for the operation of the Taproom through our newsletters, memos and intranet system. If we establish an intranet system, we will have no obligation to maintain the intranet system indefinitely and may dismantle it at any time without notice and without liability to Franchisee and the following will apply:

(1) We will establish policies and procedures for use of the intranet system. These policies, procedures and other terms of use may address issues such as (i) restrictions on the use of abusive, slanderous or otherwise offensive language in electronic communications; (ii) restrictions on communications between or among franchisees that endorse or encourage breach of any agreement with us; (iii) confidentiality of materials that we transmit; (iv) password protocols and other security procedures; (v) grounds for suspending, or revoking Franchisee's access to the intranet system; and (vi) a privacy policy governing our access to and use of electronic communications that franchisees submit on the intranet system. Franchisee

acknowledges that as administrator of the intranet system, we can access and view any communication that anyone posts on the intranet system. Franchisee further acknowledges that the intranet system and all communications that are posted to it will become our property, free of any claims of privacy or privilege that Franchisee or any other person may assert.

(2) Upon receipt of notice from us that the intranet system has become operational, Franchisee agrees to purchase and install all necessary additions to their computers and to establish and continually maintain electronic connection with the intranet system that allows us to send messages to and receive messages from Franchisee. Franchisee's obligation to maintain connectivity with the intranet system will continue until expiration or termination of this Agreement.

(3) We may use part of the System Advertising Fund that we collect under this Agreement to develop, maintain and further develop the intranet system.

We may require Franchisee to join and participate in various industry specific local or national associations. Such associations may include, but are not limited to the Better Business Bureau Association and Chamber of Commerce. These associations are invaluable and necessary for the continued growth of the Taproom. Franchisee's full and complete participation in such programs and associations are required. Except as otherwise provided herein, compliance and participation shall be at Franchisee's expense, including membership fees and related costs.

In the marketing and operation of Franchisee's Taproom, Franchisee will use each of, and only, the contracts, waivers and/or other forms and/or materials as are designated by us periodically. However, Franchisee may stay subject to the landlord's lease, as long as the lease contains all of the terms and conditions required by this Agreement; the lease is adjusted to accommodate this Agreement (ideally the lease is coterminous with this Agreement but not required); and Franchisee may execute its lender's standard promissory note, personal guaranty and security agreement provided that the terms and conditions of any promissory note, personal guaranty and security agreement do not affect or impair this Agreement, or any of our rights or remedies under this Agreement. If Franchisee has two or more Owners or it is an Entity, then Franchisee must submit a copy of its Operating Agreement, Partnership Agreement, or Shareholders Agreement and bylaws, as applicable for our review prior to execution as specified in Section XII.R of this Agreement.

All advertising, promotions and public relations by Franchisee in any medium shall be conducted in a dignified manner and shall conform to our standards and requirements as set forth in the Operations Manual. Franchisee shall have the right to sell Products and offer Services at any prices or rates Franchisee may determine, except that we reserve the right to establish minimum and maximum prices for any given Product or Service system wide to the extent allowed by federal and state laws. To clarify, Franchisee agrees that we have the right, in our sole discretion, to establish minimum and maximum prices for any Product or Service system wide, temporarily (for a limited period of time), in specific geographic areas or in conjunction with any promotional and/or marketing program so long as such decisions are made with the honest belief that the measure we are adopting will help everyone in the System meet competition and succeed in the marketplace. Franchisee is prohibited from heavily discounting Products and Services offered for sale and must adhere to our minimum and maximum pricing guidelines, except as otherwise provided by applicable federal or state laws. If Franchisee elects to sell or offer any Product or Service at any price or rate recommended by us, Franchisee acknowledges that we have made no guarantee or warranty that offering such Products or Services at the recommended price or rate will enhance Franchisee's revenues, sales or profits. Franchisee shall participate in and comply with all sales, promotional programs, marketing programs and/or product promotions promulgated by us periodically.

I. Use Approved Products, Supplies, Equipment, Vendors and Suppliers

Franchisee acknowledges that we have spent considerable time in developing the Products, Services, standards, processes, methods and technology used in the operation of a Hoppin'™ Taproom. Accordingly, Franchisee acknowledges that Franchisee is to use only approved products, supplies, equipment, vendors, suppliers and services that includes, but is not limited to: (including menu items and retail items, if we authorize you to sell retail items in the future) and services specified by us that include but are not limited to: a variety of alcoholic beverages (such as wine and beer) and non-alcoholic beverages (such as: carbonated drinks, teas and bottled water) in addition to other beverage products, furnishing and fixtures, technology items (such as: computers, POS system, RFID Wristbands, closed circuit television systems, sound system, alarm system etc.), software, menu boards, signage, uniforms, music service providers, security alarm service providers, laundry service providers, merchant services, POS and technology support services and printed advertising materials necessary for the operation of the Taproom. Franchisee may be required to comply with our procedures for submitting orders for products and supplies, as we may periodically adopt. We may derive income through license fees, promotional fees, advertising allowances, rebates or other monies paid by approved vendors and/or suppliers. We do not know the precise basis of these payments because we have never previously collected them. If we require Franchisee to buy from us, products, supplies or equipment the price and quality will be comparable to similar products, supplies and equipment from other sources. We may take a portion of that income to spend on advertising or place in a separate franchise advertising account. If we require Franchisee to buy products, supplies, equipment or services from a vendor that pays such allowances, we may spend all such fees on related advertising or may place them in the advertising account Fund as described in Section X.B of this Agreement. If we don't require the purchase, we need not place such fees in a separate account or use them on advertising. Franchisee agrees that we may periodically and upon written notice, add to, modify or change such approved products, supplies, equipment, vendors and suppliers and there is no limit in our right do so. Franchisee promises to promptly accept and implement, in the operation of the Taproom, all such additions, modifications and changes at Franchisees expense. In addition, Franchisee acknowledges that:

1. We have spent considerable time designing the decoration and outfitting of a Hoppin'™ Taproom with equipment, furnishing, fixtures, décor items and signage. This is part of our trade dress. Franchisee must purchase such items from us and/or our affiliates or approved vendors as specified in the Operations Manual and Section XII.T of this Agreement.

2. To insure the consistent high quality and uniformity of Products and Services provided by Hoppin'™ Franchised Businesses, Franchisee must lease or purchase products, supplies, equipment and services (as described above) for use in the operation of a Hoppin'™ Taproom, from us, our affiliates or approved vendors who demonstrate to our continuing satisfaction an ability to meet our standards and specifications. We are not liable to Franchisee for any loss or damage, or deemed to be in breach of this Agreement, if we, our affiliates or approved vendors and/or suppliers cannot deliver, or cause to be delivered, Franchisee's order of products, supplies or equipment where such items are out-of-stock or discontinued. Franchisee is prohibited from purchasing or leasing products, supplies, equipment and services from unapproved vendors and/or suppliers who are not on our approved list without our written approval. We shall approve or deny Franchisee's request, which approval is in our sole discretion, within thirty (30) days of receipt of Franchisee's written request. We will make such approval or disapproval by e-mail or any other form of written communication. Failure of Franchisee to purchase such items from us, our affiliates or approved vendors and/or supplies and use such unapproved items in the operation of its Taproom may result in termination of this Agreement as specified in Section XXIII.C of this Agreement.

3. In approving any vendor or supplier we may consider factors such as: price, quality, composition, performance, accuracy of product claims, durability, safety, technical

specifications, design, service maintenance programs, determination of quality control, value, customer service strength, prompt attention to complaints, litigation against the supplier, reputation of supplier, any product recalls instituted by the United States Consumer Product Safety Commission, the supplier's financial strength and capacity to supply franchisee's needs promptly, reliably, and cost effectively. All vendors and suppliers must be approved in writing by us and may be disapproved by us anytime thereafter. If Franchisee desires to lease or purchase unapproved equipment, products, supplies or services from unapproved vendors, Franchisee shall submit to us a written request for such approval. We shall approve or deny Franchisee's request, which approval is in our sole discretion, within thirty (30) days of receipt of Franchisee's written request. Such approval or disapproval shall be made by email or any other form of written communication. We shall have the right to require, as a condition of its approval and review, that its representatives are permitted to inspect the facilities of the proposed vendor and that the proposed item is delivered to us or our designee for testing. The cost of such inspection and testing shall be paid by Franchisee, vendor or supplier and we shall not be liable for damage to or for the return of any sample and Franchisee may be responsible for the product, vendor and equipment assessment fee as described in Section X.K of this Agreement. We reserve the right, at any time, to re-inspect the facilities and to retest the product or equipment of any approved vendor and to revoke any approval if the vendor fails to continue to meet our high standards.

4. Franchisee will not make any claims against us or our affiliates with respect to any vendor and/or related supplier for products, supplies, equipment (as described above) or any other related products or supplies necessary for the operation of the Taproom (and/or our designation of, or our relationship with, any vendor/supplier/products). WE MAKE NO WARRANTIES REGARDING ANY VENDOR EQUIPMENT, PRODUCTS OR SUPPLIES AND HEREBY DISCLAIM THE IMPLIED WARRANTY OF MERCHANTABILITY, THE IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, THE IMPLIED WARRANTY OF QUALITY OF COMPUTER PROGRAMS, THE IMPLIED WARRANTY OF SYSTEM INTEGRATION, AND THE IMPLIED WARRANTY OF INFORMATION CONTENT. WE MAKE NO WARRANTY THAT ANY VENDOR PROVIDED SOFTWARE WILL BE BUG FREE, VIRUS FREE, OR FREE OF TROJAN HORSES OR FREE OF WORMS. FRANCHISEE HEREBY AGREES THAT SUCH DISCLAIMER IS AN ESSENTIAL PART OF THE BARGAIN, AND THAT THE FRANCHISOR WOULD NOT HAVE ENTERED INTO THIS TRANSACTION ABSENT SUCH DISCLAIMER. The Franchisee must make any claim with respect to any vendor-related and/or similar matters only against the vendor in question. Franchisee will provide us with written notice prior to taking any action in connection with such a claim. We will use diligent efforts to assist Franchisee in resolving any disputes with vendors approved and/or designated by us.

5. Franchisee may be required to use and may be required to offer for sale any and all privately labeled and branded merchandise or Proprietary Products developed by us, which will be listed in the Operations Manual (currently not in effect). The term "Proprietary Products" is defined as all products, supplies, equipment, apparel, retail items or other merchandise for sale and marketing materials all of which may be branded with our Marks and all of which must be purchased by the Franchisee directly from us or our approved vendors, unless the Franchisee has submitted and received written approval from us to use an alternate supplier. Currently we do not have Proprietary Products that Franchisee is required to offer for sale in its Taproom. Failure of Franchisee to use and/or offer for sale Proprietary Products (if we develop proprietary products for sale in the future) will result in termination of this agreement as specified in Section XXIII.C of this Agreement.

6. Franchisee acknowledges that we do not now, but may in the future require Franchisee to maintain in inventory a minimum representation of equipment, Products and Proprietary

Products in its Taproom. "Minimum Representation" shall be defined as the continuous maintenance of an amount of equipment, Products and/or Proprietary Products meeting requirements as defined in the Operations Manual. Franchisee shall at all times comply with our Minimum Representation requirements, if any, and the terms of any auto-ship requirements (currently we do not have any auto-ship requirements, however we do require that Franchisee purchase updates for all advertising, promotional and marketing materials and miscellaneous forms when designated as mandatory by us and as specified in the Operations Manual). However, if a particular Product does not sell well in Franchisee's Taproom, Franchisee may request that a specific Product be removed from the required Minimum Representation list. We shall approve or deny Franchisee's request, which approval is in our sole discretion, within thirty (30) days of receipt of Franchisee's written request. We shall make such approval or disapproval by email or any other form of written communication.

7. Franchisee shall not make any changes to any product, Proprietary Products or any third-party products or equipment including modifying equipment, changing the containers, packaging, labeling, promotional materials, advertising, cartons or the like without our or the manufacturer's prior written approval, which may be withheld in the sole discretion of us or the manufacturer. Failure to adhere to these guidelines will result in termination of this Agreement as specified in Section XXIII.C of this Agreement.

8. Franchisee may not independently act as an exclusive distributor for any third-party vendor or secure any exclusive rights to distribute products, supplies, equipment and/or Proprietary Products or third-party products inside or outside the structure or adjacent structures where the Accepted Location is located without our written consent. We shall approve or deny Franchisee's request, which approval is in its sole discretion, within thirty (30) days of our receipt of Franchisee's written request. Failure to adhere to these guidelines or will result in termination of this agreement as specified in Section XXIII.C of this Agreement.

9. Franchisee shall not manufacture or produce any piece of equipment or any product that is similar to, or competes with any of our Products, Proprietary Products or third-party product or equipment, or in any channel of distribution selling similar products or equipment without the advanced written consent of us or the manufacturer, which may be granted or denied in our or the manufacturer's sole discretion. Violation of this shall be grounds for immediate termination as specified in Section XXIII.C of this Agreement.

10. Franchisee must inspect all equipment and products promptly upon receipt and may reject any equipment or product that fails in any material respect to conform to manufacturer's description (if applicable). Any equipment or product that has not been rejected will be considered Accepted. Rejected equipment or products must be returned to the manufacturer within three (3) business days of the date on which manufacturer authorizes the return or as manufacturer specifies.

11. Notwithstanding anything to the contrary contained in this Agreement, Franchisee acknowledges and agrees that, at our sole option, we may establish strategic alliances or preferred vendor programs with national or regionally-known suppliers who are willing to supply all or some Hoppin'™ taprooms with some or all of the products, supplies, equipment (as defined above) and/or other products or services that we require for use and/or sale in the development and/or operation of the Taproom. In this event, we may limit the number of approved vendors with whom Franchisee may deal, designate sources that Franchisee must use for some or all of the above items and/or refuse any of Franchisee's requests to approve vendors or suppliers if we believe that this action is in the best interests of the System. We shall have unlimited discretion to approve or disapprove of the vendors who may be permitted to sell such items to franchisees.

12. Franchisee agrees to purchase, use, maintain and update at Franchisee's expense all technology items and software meeting our specifications, as we may modify them. Franchisee will be required to purchase such items from us, our affiliates or approved vendors. We reserve the right to have independent access to all information that Franchisee stores in any computer, POS system or software related to the Taproom. Franchisee agrees to comply with our then-current Terms of Use and Privacy Policies and any other upgrade requirements regarding such items and software, including Internet usage. Supplier and/or licensor charges for use, maintenance, support and/or updates of and to the required systems are the Franchisee's responsibility.

13. We cannot estimate the future costs of the technology items (as described above) or required service or support, and although these costs might not be fully amortizable over this Agreement's remaining term, Franchisee agrees to incur the costs of obtaining such items (including any additions and modifications) and required networking and technology support services. We have no obligation to reimburse Franchisee for any technology item, software, networking or technology support costs. Within ninety (90) days after Franchisee receives notice from us, Franchisee agrees to obtain the technology item components and software that we designate and to ensure that Franchisee's technology items and software as modified, is functioning properly.

14. Franchisee may be required to use our proprietary software for the operation of the Taproom (currently not in effect). If we develop proprietary software and require Franchisee to use such software, we will provide Franchisee with a ninety (90) day written notice to purchase (if applicable) and use such software for the operation of its Taproom. If developed, we will provide all update and upgrade requirements for the proprietary software as necessary. The installation, maintenance, repairs and upgrade costs for the proprietary software will be the responsibility of the Franchisee. Usage of any propriety software ("Software"), if developed, will be subject to the following terms:

    a. Franchisee will use our Software on a computer that: (i) meets our computer hardware specifications; and (ii) is located at your Taproom or on a backup system if the original computer is inoperable. Franchisee will be licensed to use our Software only for Franchisee's internal, in-house data processing and data communications purposes and only in connection with the Taproom and not for re-marketing or redistribution under any circumstances;

    b. Franchisee acknowledges and agrees that we (or any of our affiliates) will be the sole and exclusive owner of all right, title and interest in and to our Software, including all trade secrets and copyrights related to the Software, subject only to the rights we expressly license to Franchisee in this Agreement. This license will not provide Franchisee with title or ownership of the Software, but only a limited right of use. Franchisee agrees that Franchisee will not contest or otherwise seek to share, diminish or invalidate our ownership rights in our Software;

    c. Franchisee will not modify the Software in any way without our prior written consent. Franchisee will promptly disclose to us all ideas and suggestions for modifications or enhancements to the Software that Franchisee conceives or develops, and we will have the right to use such ideas and suggestions. We shall own all copyrights and other intellectual property rights to all modifications and suggestions proposed by Franchisee. The term "all copyrights and other intellectual property rights" shall mean all means, methods, and process, by all media whether now known or hereinafter invested, including complete and entire interactive rights and rights to derivative works. This Agreement and the performance of Franchisee obligations under this Agreement and any intellectual property derived therefrom

shall be deemed a work for hire. In the event that a court of competent jurisdiction holds that this Agreement is not a work for hire, then the Franchisee agrees to execute all documents that we deem is necessary to assign all copyright and other intellectual property rights to us. All modifications or enhancements made to the Software will be our property and belong exclusively to us, without regard to the source or creator of the modification or enhancement, however we may provide incentive programs for such contributions;

d. We will have the right at all times to access Software and to retrieve, analyze and use all the data related to the Taproom in Franchisee's files stored on Franchisee's POS system, computers or any other computer system. Additionally, Franchisee will electronically transfer all files and reports related to the Taproom to us on our request. All information related to the Taproom that Franchisee stores in any computer or POS system shall become our confidential and proprietary information, and subject to all of the terms and conditions of this Agreement regarding our Confidential Information.

e. Franchisee and Franchisee's employees will not make available the Software, or portions thereof, to any person other than Franchisee's or our employees without our prior written consent. Franchisee agrees that Franchisee will not: (i) copy the Software except as necessary for use in the Taproom; (ii) translate, reverse engineer, reverse compile, disassemble, modify, alter, or change, or create derivative works based on the Software; or (iii) sublicense, rent, lease, sell, convey, assign, or otherwise transfer the Software or any portion thereof, or any rights therein, to any person or entity. Failure to adhere to these guidelines or allowing unauthorized usage of the Software may result in termination of this Agreement as specified in Section XXIII.C of this Agreement;

f. Franchisee acknowledges and agrees that the Software, if developed, will be our valuable, proprietary product, the design and development of which took the investment of considerable time, money and effort of skilled computer programmers. Franchisee will keep the Software and any data generated by the use of the Software confidential during and after the term of this Agreement and will maintain security precautions to maintain the secrecy of the Software and to prevent unauthorized access or use of the Software. Franchisee agrees that it will treat the Software as confidential and that the Software will contain substantial trade secrets of ours that we have entrusted to Franchisee in confidence to use only as we authorize under this Agreement. We hereby claim and reserve all rights and benefits afforded under copyright law, patent law, trade secret law, intellectual property law and other laws relating to confidential and proprietary material. Franchisee agrees not to improperly use, disseminate, or disclose the Software, and to ensure that Franchisee's employees who gain access to the Software will protect the Software against improper use, dissemination or disclosure;

g. ANY SOFTWARE SHALL BE PROVIDED ON AN "AS-IS" BASIS WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. ALL WARRANTIES AGAINST INFRINGEMENT ARE HEREBY DISCLAIMED EXCEPT WE REPRESENT THAT WE HAVE SUFFICIENT AUTHORIZATION TO LICENSE THE SOFTWARE TO FRANCHISEE. WE DO NOT WARRANT THAT THE FUNCTIONS CONTAINED IN THE SOFTWARE MEET FRANCHISEE'S REQUIREMENTS OR THAT THE USE OF THE SOFTWARE WILL BE UNINTERRUPTED OR ERROR FREE. WE MAKE NO WARRANTIES THAT

THE SOFTWARE IS FREE FROM BUGS, VIRUSES, TROJAN HORSES, OR WORMS. WE MAKE NO WARRANTY REGARDING ANY OPEN SOURCE SOFTWARE CONTAINED IN THE SOFTWARE. In no event will we be liable to you for damages, including any lost profits, lost savings, or other incidental or consequential damages, relating to the use of or inability to use the Software, even if we have been advised of the possibility of such damages, or for any claim by any other party. The foregoing limitations of liability are intended to apply without regard to whether other provisions of this Agreement have been breached or proven ineffective;

h. Franchisee acknowledges and agrees that Franchisee's license to the Software will terminate immediately and automatically should Franchisee fail to adhere to any of Franchisee's obligations under this license or if this Agreement expires or is terminated for any reason;

i. Franchisee acknowledges and agrees that any violation by Franchisee of the provisions of the Software license would cause us irreparable harm for which we would have no adequate remedy at law; and that, in addition to other remedies available to us, we will be entitled to seek injunctive relief against any such violation;

j. In the event Franchisee fails to adhere to any of Franchisee's obligations under this Agreement, or is no longer a franchisee of ours, or this Agreement expires or terminates for any reason, Franchisee will immediately (within five (5) days) terminate the use of the Software and destroy any and all material or information related to the Software or any data generated by use of the Software unless we specifically instruct otherwise; and

k. Franchisee must update all computers and POS systems upon our request to optimize performance of the Software.

15. Franchisee acknowledges that neither we nor our affiliates, will have any liability and/or obligation (and neither Franchisee or any of its managing partners, managing members, members, shareholders or other Owners of Franchisee will make any claims) about any loss of data, loss of information, inability to use, failures, errors or any other occurrences relating to any computer, POS system, closed circuit television system, computer hardware or software without an express written warranty from us, even if recommended or specified by us. Franchisee acknowledges and agrees that Franchisee is solely responsible for protecting themselves from these problems. Franchisee must also take reasonable steps to verify that information about Franchisee's suppliers, lenders, landlords, guests and governmental agencies on which Franchisee rely, are reasonably protected. This may include taking reasonable steps to secure Franchisee's systems, including, but not limited to, firewalls, access code protection, anti-virus systems and use of backup systems.

16. We may set standards or specifications for leases and real estate at our discretion. We have set standards and specifications for the construction and build-out of the Taproom; and equipment, furniture, fixtures, décor items and signage used, including our subjective determinations relating to quality, value and appearance.

Nothing in this Agreement shall be construed to be a promise or guarantee by us as to the continued existence of any particular product or piece of equipment, nor shall any provision herein imply or establish an obligation on the part of us and our affiliates to sell equipment, products or supplies to Franchisee if Franchisee is in arrears on any payment to us, our affiliates, or any other designated vendor or approved supplier, or otherwise is in default under this Agreement. If Franchisee fails to pay in

advance in full for each shipment of such items (if applicable), we or our affiliates shall not be obligated to sell such items to Franchisee.

J. Use Approved Design and Signage for the Taproom

In operating a Hoppin'™ Taproom, Franchisee must adhere to our signage (including menu boards) standards and utilize approved signage for when performing Services in accordance with our standards and specifications or required by us. Franchisee may use an approved supplier for all such signage or submit an alternate supplier to us for approval. Franchisee shall purchase or lease, subject to local building codes and regulations, such signs that provide maximum displays of our Names and Marks. Franchisee shall be totally responsible for obtaining and equipping the Taproom with the signage as required and approved for use by us from time to time. The color, size, design and location of said signage shall be as specified and/or approved by us. Franchisee shall not place additional signs, posters or newspaper racks in addition to unapproved video, vending or gaming machines and/or other similar devices and décor items in the Taproom or any other signage on vehicles used for Services without our prior written consent.

K. Participation in the Operation of the Taproom

It is strongly encouraged that Franchisee (or one of its Owners) participate in the day-to-day operation of the Taproom. Whether or not Franchisee (or its Owners) are involved in the day-to-day operation of the Taproom, Franchisee agrees that its Taproom must be at all times under the supervision of a General Manager approved by us. Franchisee agrees that the General Manager will oversee the operations of the Taproom and supervise all Employees. The General Manager will also be responsible for providing continuing guidance, oversight, day-to-day management, enforce all preparation and service standards and properly process all paperwork, reports and complaints.

L. Advertising the Taproom

Franchisee shall not advertise the Franchise Business in connection with any other business, except with our prior written approval. Franchisee shall obtain our prior approval of all unapproved advertising and promotional plans and materials that Franchisee desires to use thirty (30) days before the start of any such plans and/or materials. Franchisee shall submit such unapproved plans and materials to us (by personal delivery, electronically or through the mail). Franchisee shall not use such plans or materials until we approve that specific plan or material, and shall promptly discontinue use of any advertising or promotional plans and material upon our request. We shall approve or deny Franchisee's request by email or any other form of written communication, which approval is in our sole discretion within thirty (30) days of receipt of Franchisee's request. Any plans or materials submitted by Franchisee to us, which have not been approved or disapproved in writing, within such thirty (30) days period shall automatically be deemed not approved.

Franchisee will not independently advertise or promote in any media (including on any Website as defined in Section VI) without our prior written approval, except when using materials previously approved by us. We, our affiliates and/or approved vendors will perform all web page content revision and Franchisee is responsible for any costs related to such revisions. Any requests for changes, edits or updates to Franchisee's web page or any type of website promotion over the Internet must be approved by us in writing. We shall approve or deny Franchisee's request by e-mail or any other form of written communication, which approval is in its sole discretion, within thirty (30) days of receipt of Franchisee's written request. Franchisee will participate in at its own expense and cooperate with all advertising and promotional programs we or any advertising group of franchisees selects, including any franchise marketing council we may implement. Franchisee may be required to follow or maintain sales pricing for Products and Services. We will set minimum and maximum prices and suggest pricing to the extent allowed by law.

Franchisee, its Owners and General Manager shall at all times use its best efforts to promote and increase recognition of the Products and Services offered by the Taproom pursuant to the System and Operations Manual, to affect the widest and best possible distribution of Products and Services from the Taproom and to devote its best efforts to growing the Franchise Business.

M. Maintain Taproom Hours

We require that Franchisee's Taproom is open for operation seven days a week at a minimum from 11am-9pm Monday through Sunday; except for holidays (as specified in the Operations Manual). The only exception to the above is if Franchisee is given written permission by us to operate at a lesser period; or if the hours of operation for the Taproom are required by the lease of the premises on which the Taproom is operated. It is required that Franchisee monitors an email address for the Taproom and respond to concerns outside of regular business hours.

N. Maintain Uniform Operating Standards

Franchisee understands and acknowledges that every detail in the operation of the Taproom is important to the Franchisee, us and other franchisees in order to develop and maintain uniform operating standards, to increase the demand for the Products and Services offered by the Taproom under the System, and to protect our Marks, reputation and goodwill.

Franchisee acknowledges and agrees that the System must continue to evolve in order to reflect changing market conditions and meet new and changing consumer demands. As a consequence, changes, modifications and variations to the System's standards may be required from time to time to preserve and enhance the public image of the System and enhance the operational efficiency of all franchises.

Franchisee therefore agrees that we may periodically and upon written notice, add to, modify or change the System, including without limitation the adoption and use of new or modified trademarks, Products, Services, Rewards Programs, equipment, signage, décor, operational methods (including preparation, recipes, techniques, processes and presentation), methodologies, employee hiring and training guidelines, retention programs, our website, advertising, sales and marketing strategies. Franchisee promises to promptly accept, implement, use and display in the operation of the Taproom, all such additions, modifications and changes at Franchisee's expense.

Franchisee agrees to maintain high standards of honesty, integrity, fair dealing and ethical conduct in all business activities. Franchisee will not engage in any services, trade practices, abusive, excessive, or illegal collection techniques or other activity; or sell any product which we determine to be harmful to the goodwill or to reflect unfavorably on the reputation of Franchisee or us, the Franchised Business, or the Products and approved Services sold or offered thereof; or which constitutes deceptive or unfair competition, results in unfounded litigation against Franchisee's guests or otherwise is in violation of any applicable laws. The above limitations are closely related to the business image, purpose and marketing strategy of the System, and therefore any change therefrom would fundamentally change the nature of the business;

We will not require Franchisee to make any changes, modifications and/or variations to the System that are not required of all franchisees (unless such change, modification or variation relates only to certain franchisees due to one or more unique factors such as geographic location, local laws, regulations or customs); further we may periodically meet with representative groups of franchisees and solicit their input prior to the implementation of any material change or modification. Franchisee's failure to comply with additions, modifications or changes to the System within ninety (90) days of such written notice is an incurable default as described in Section XXIII.C of this Agreement.

O. Telephone Number of Taproom, Web Page and Websites

Franchisee understands and agrees that the telephone number(s), the URL address, web page, Websites for the Taproom (in addition to any mobile phone numbers) constitute a part of the System and are subject to the restrictions of this Agreement. Accordingly, Franchisee shall not change the telephone number(s), URL address, web page or Websites for the Taproom without prior notice and written approval by us. Franchisee shall advertise and publicize the telephone number(s) and, permitted by us, the URL address, web page and Website for the Taproom in the manner prescribed by us. As stated above, all telephone numbers, URL addresses, web page, Websites, Internet or similar connections, directory and listings used in the Franchised Business are our property and upon termination will revert to us.

P. Disclose Discoveries and Ideas to Franchisor

Franchisee shall promptly disclose to us all products, equipment, discoveries, concepts, methods, techniques, recipes, formulas, processes, photographs, video presentations, promotions, operational procedures, inventions or ideas, whether patentable or not, relating to our business, which are conceived or made by Franchisee or any Owner, agent, employee or independent contractor of Franchisee solely or jointly with others, during the term of this Agreement, whether or not our facilities, materials, or personnel are utilized in the conception or making of such discoveries or ideas. Franchisee hereby acknowledges and agrees that all such products, equipment, discoveries, concepts, methods, techniques, recipes, formulas, processes, photographs, video presentations, promotions, operational procedures, inventions or ideas are the exclusive property of us, and that we shall have no obligation to compensate the Franchisee for any such discovery or idea. However, as a matter of corporate policy, we may, in our sole discretion, create an incentive program to reward Franchisee, its officers, directors, managers, members, partners or shareholders for any such new product, equipment, discovery, concept, method, technique, recipe, formula, photograph, video presentation, process or improvement that we implement throughout the System. Franchisee, its officers, directors, managers, members, partners or shareholders agree to execute all documents deemed reasonably necessary by us to assign all such patent, trade secret, trademark, and copyright rights in any Franchisee discovery or idea to us. The Franchisee, its officers, directors, agents and employees agree to execute any and all documents deemed reasonably necessary by us to carry out such assignment. The term “all copyright and intellectual property rights” shall mean all means, methods, and process, by all media whether now known or hereinafter invested, including complete and entire interactive rights and rights to derivative works. The purpose of this clause is to ensure that ideas for improvements to the System that may be generated by franchisees within the System will be distributed to the other franchisees as a benefit of belonging to the System. The Franchisee agrees to execute all documents that we deem reasonably necessary to carry out such transfer of intellectual property rights to us.

Q. Permit Franchisor to Enter Taproom

Franchisee shall permit us and our agents or representatives to enter the Taproom at any time during normal business hours and without notice for the purpose of conducting inspections to inspect the operations of the Taproom, review business operations (which includes photographing and taking video of the operations of the Taproom for observation purposes) and to remove samples of food and/or non-food products, without payment, for our review to determine if such samples meet our then-current standards and specifications. We have the right to require that Franchisee’s General Manager be at the Taproom for any inspection we, our affiliates or third parties conduct. In addition, we may use secret shoppers to inspect and ensure that unauthorized products, supplies, equipment and services (as described in Section XII.I) are not being used, offered or sold. Franchisee shall cooperate fully with our representatives in such inspections by rendering such assistance as they may reasonably request, and, upon notice from us or our agents, and without limiting our other rights under this Agreement, shall take such steps as may be deemed necessary to immediately correct any deficiencies detected during such inspections. In the event Franchisee fails or refuses to promptly correct any deficiency detected during

such inspection, we shall have the right to make or cause to be made such changes as may be required, at the expense of Franchisee, which expense Franchisee agrees to pay upon demand. In addition, to maintain the highest degree of quality, if Franchisee fails an inspection twice in any two (2) year period the Franchisee will also be responsible for the two thousand five hundred dollar ($2,500) inspection fee (as described in Section X.I). If Franchisee fails a third or additional inspection in the same two (2) year period, we have the option of charging the two thousand five hundred dollar ($2,500) inspection fee or terminate Franchisee for the third failed inspection and any additional failed inspection. The foregoing shall be in addition to any other remedies we may have pursuant to this Agreement.

R. Additional Requirements for Corporate or other Entity Franchisees

If Franchisee is or becomes a corporation, limited liability company, limited liability partnership, general partnership or other organization or entity, the following requirements shall apply:

1. Franchisee shall confine its activities to the establishment and operation of the Taproom;

2. Franchisee's Certificate, Articles of Incorporation or Articles of Organization, Certificate of Formation, Shareholders Agreement, Operating Agreement, Partnership Agreement, Business Trust Agreement, and/or Bylaws (or comparable governing documents) shall at all times provide that its activities are confined exclusively to the operation of the Taproom and that the issuance, redemption, purchase for cancellation and transfer of voting stock, or other ownership interest therein, is restricted by the terms of this Agreement. Franchisee shall furnish us promptly upon request copies of Franchisee's Certificate of Formation, Articles of Incorporation, Bylaws, Operating Agreement, Partnership Agreement, Business Trust Agreement, Shareholders Agreement, and other governing documents, and any other documents we may reasonably request, and any amendments thereto, from time to time;

3. Franchisee shall maintain a current list of all owners of record and beneficial owners of any class of voting stock or other ownership interest in Franchisee and shall furnish such list to us upon request;

4. Franchisee shall maintain stop transfer instructions against the transfer on its record of any equity securities (voting or otherwise) or the certificate of any other entity evidencing ownership except in accordance with the provisions of Section XV of this Agreement. All securities or other ownership interests issued by Franchisee shall bear the following legend, which shall be printed legibly and conspicuously on each stock certificate or other evidence of ownership interest:

> THE TRANSFER OF THESE SECURITIES IS SUBJECT TO THE TERMS AND CONDITIONS OF THIS FRANCHISE AGREEMENT WITH HOPPIN FRANCHISING GROUP, LLC AS OF THE SIGNING DATE. REFERENCE IS MADE TO SAID AGREEMENT AND TO THE RESTRICTIVE PROVISIONS OF THE ARTICLES AND BYLAWS OF THIS CORPORATION (IF THE FRANCHISEE IS A LIMITED LIABILITY COMPANY, REFERENCE WILL BE MADE TO THE TRANSFER OF OWNERSHIP RESTRICTIONS SET FORTH IN THIS FRANCHISE AGREEMENT, IN THE LIMITED LIABILITY COMPANY'S OPERATING AGREEMENT, IF THE FRANCHISEE IS A PARTNERSHIP, REFERENCE WILL BE MADE TO THE TRANSFER OF OWNERSHIP RESTRICTIONS SET FORTH IN THIS FRANCHISE AGREEMENT, IN THE PARTNERSHIP AGREEMENT. IF THE FRANCHISEE IS A BUSINESS TRUST, REFERENCE WILL BE MADE TO THE

TRANSFER OF OWNERSHIP RESTRICTIONS SET FORTH IN THIS FRANCHISE AGREEMENT, IN THE TRUST AGREEMENT);

5. Any individual or Entity, who owns ten percent (10%) or more ownership in the Franchise Business, shall jointly and severally guarantee Franchisee's performance hereunder and shall bind themselves to the terms of this Agreement, provided, however, that the requirements of this Section XII.R shall not apply to any corporation registered under the Securities Exchange Act of 1934 (hereinafter known as a "Publicly-Held Corporation");

6. If Franchisee is or becomes a partnership, corporation or limited liability company, Franchisee shall furnish us a copy of its partnership agreement or comparable agreement, and any other documents we may reasonably request, and any amendments thereto, from time to time. If Franchisee is or becomes a limited liability company, Franchisee shall furnish us with a copy of its operating agreement and any other documents we may reasonably request, and any amendments thereto, from time to time. If Franchisee is or becomes a corporation, Franchisee shall furnish us a copy of its shareholders agreement, bylaws, and any other documents we may reasonably request, and any amendments thereto, from time to time; If Franchisee is or becomes a business trust, Franchisee shall furnish us a copy of its trust agreement, and any other documents we may reasonably request, and any amendments thereto, from time to time;

7. Each individual or Entity holding a ten percent (10%) or greater ownership or beneficial ownership interest in the Franchisee's Taproom, directly or indirectly, (including each individual holding a 50% or greater interest in any limited liability company, partnership or corporation which has a 10% or greater interest in the Franchisee's Taproom) shall enter into a continuing guaranty agreement, in the form attached hereto as Schedule 5 as such form may be amended or modified by us, from time to time (if such guaranty agreement is to be executed subsequent to the date hereof in accordance with the terms of this Agreement); and

8. From and after the date of this Agreement, Franchisee and its Owners shall not sell, transfer, assign, pledge, mortgage, hypothecate or encumber all or any direct or indirect ownership interest in Franchisee without first obtaining our written consent which consent shall be given or withheld within thirty (30) days of Franchisee's request.

S. Site Selection

Franchisee assumes all costs, liability, expense, and responsibility for locating, obtaining and developing a site for the Franchise Business to be established under the Franchise Agreement and for equipping the Taproom at such premises. A typical Hoppin'™ taproom has approximately four thousand to six thousand five hundred (4,000-6,000) square feet of space. The space for a Hoppin'™ Taproom must be enclosed and separate from other businesses with its own locking door. Franchisee may buy or lease the required real property and improvements from any source and on terms approved by us in writing. Franchisee may not sign a lease (or a contract to purchase the premises, if applicable) for the Taproom until Franchisee has obtained our written consent. Franchisee must not invest any monies for a site in which Franchisee wishes to open a Taproom until Franchisee has obtained our written consent for the site which will be made by email or any other form of written communication. On the execution of any lease for the Franchise Business, Franchisee will deliver to us a copy of the executed lease and an option to assume the lease executed by the lessor in favor of us in a form acceptable to us. All improvements to the Taproom must be approved by us.

FRANCHISEE ACKNOWLEDGES THAT OUR ACCEPTANCE OF A PROSPECTIVE SITE AND THE RENDERING OF ASSISTANCE IN THE SELECTION OF A SITE DOES NOT CONSTITUTE A REPRESENTATION, PROMISE, WARRANTY, OR GUARANTEE BY US

THAT A HOPPIN'™ FRANCHISE OPERATED AT THAT SITE WILL BE PROFITABLE OR OTHERWISE SUCCESSFUL.

Franchisee acknowledges that we have spent considerable amount of time choosing the creating the decoration and outfitting Hoppin'™ taprooms. It is part of our trade dress. Franchisee acknowledges and agrees that the design, layout and other characteristics of the Taproom constitute and/or contain Confidential Information and/or trade secrets of ours. Franchisee agrees that the Taproom shall be maintained and operated as follows:

1. Franchisee will maintain the Taproom and every component of the equipment furnishings, fixtures and technology items in good order and repair at all times as specified in the Operations Manual;

2. Franchisee will keep the Taproom fully insured as specified in this Agreement and in the Operations Manual;

3. Franchisee will keep the Taproom at all times in a clean and tidy condition and free of any advertising and promotional material other than that required by law or the Operations Manual, and will exhibit such signage, colors and logos in the Taproom and upgrade or review the same as specified in the Operations Manual;

4. Franchisee will not alter or in any way amend the appearance of the Taproom, or any equipment, furnishings, fixtures, technology items, menu boards and signage contained within the Taproom as specified in the Operations Manual;

5. Franchisee will maintain all equipment, furnishings, fixtures, technology items, menu boards and signage as specified from time-to-time in the Operations Manual and may be required to upgrade such items as technology advances or in our sole discretion because of new functionality so as to always use our then-current specifications;

6. Franchisee shall meet and maintain the highest level of health standards and ratings applicable to the operation of the Taproom. Franchisee shall furnish to us, immediately or within three (3) days after receipt thereof, a copy of all inspection reports, warnings, citations, certificates and/or ratings resulting from inspections conducted by any federal, state or local governmental authority with jurisdiction over the Taproom; and

7. Franchisee may be required to use only approved service centers for repairs and maintenance of all equipment in the Taproom.

Franchisee shall not execute a lease or sublease for the Taproom, or make any modifications or amendments to the lease or sublease, without our prior written consent, which we may grant, condition or withhold in our Business Judgment. Franchisee will deliver to us a copy of any lease or sublease for our review at least ten (10) days before execution. Franchisee must deliver a copy of the signed lease or sublease to us within five (5) business days after it is signed. We do not offer legal services to Franchisee and Franchisee is encouraged to consult with independent legal counsel for a legal review of the lease. Franchisee shall ensure that the lease or sublease for the Taproom contains, in an addendum or otherwise, the following provisions which:

1) Permit Franchisee to operate a Hoppin'™ Taproom in accordance this Agreement and the Manuals;

2) Provide that the site will be used only for the operation of a Hoppin'™ Taproom, and prohibit Franchisee from assigning or modifying any of Franchisee's lease rights, or extending the term without our prior written consent;

3) Require the lessor to concurrently provide us with a copy of any written notices of default to Franchisee under the lease and give us the right to cure any default if we so choose; within fifteen (15) days following the expiration of the Franchisee's cure period under the lease;

4) Provide us with a right to take assignment and possession of the Taproom, without the lessor's consent or any additional consideration. If we exercise this right and Franchisee is in good standing, we'll sign a sublease with Franchisee for the same rent Franchisee is paying. In any case, we won't have any liability for any obligations incurred prior to our occupancy. Franchisee agrees to take whatever actions are necessary to accomplish such assignment and will, when you sign this Agreement, also sign the Collateral Assignment of Lease attached as Schedule 6. If Franchisee loses lease rights to the site in connection with any bankruptcy, the lessor will, on our request, enter into a new lease with us on essentially the same terms as the terminated lease;

5) Provide that the lessor consents to the use of the Marks, trade dress and other aspects of the System, as modified from time-to-time, and give us the right to enter the premises during normal business hours for purposes of inspection, to take steps to protect the Marks and trade dress and/or prevent/cure any default; and

6) Not contain any clause providing that if the Franchisee sells the assets of its Taproom, or the stock/membership units/partnership units of the Taproom, Franchisee must pay the landlord a certain percentage or a flat amount of the sale. Provided, that nothing in this sentence shall impair the Franchisee from entering into a lease that allows its landlord to impose a reasonable administrative fee for processing the assignment or sublease.

T. Development and Construction of the Taproom

Franchisee must select and employ licensed contractors reasonably acceptable by us for the complete build out and/or any leasehold improvements. Franchisee is solely responsible for the selection and work of any contractor selected and/or employed by Franchisee, even if referred by us, and for the preparation of site design, architectural and working drawings necessary to complete construction and/or build out at the Approved Location. Franchisee will be provided with mandatory requirements and specifications (interior and exterior) for the build out of the Taproom that includes specifications for the Taproom layout, equipment specifications, storage, furnishings, fixtures, technology items, décor, menu boards and signage. We may if needed, review Franchisee's final set of drawings and plans prior to implementation. Such drawings, plans and specifications are subject to alteration as may be necessary in our sole discretion and Franchisee must be in full and strict compliance with plans and specifications approved by us. Franchisee is responsible for the cost and installation of all build out specifications. We reserve the right to receive rebates, commissions or other forms of consideration from designated or approved vendors and suppliers involved in the construction of Franchisee's Taproom or supplying equipment, furniture, fixtures, technology items, décor, menu boards and signage for the Taproom and to use such rebates, commissions or other consideration in any way we deem appropriate in our sole discretion, without obligation to share or remit any portion of such rebates, commissions or other consideration to Franchisee.

We would expect that a Hoppin'™ Taproom location would need construction improvements. Costs may vary widely depending on such factors as property location, size of the property, the condition of the property, the extent of alterations required for the property. Franchisee shall be responsible for obtaining all zoning classifications, health, sanitation, clearances, inspections, permits and certifications which may be required by state or local laws, ordinances, or regulations or which may be necessary or advisable owing to any restrictive covenants relating to Franchisee's location. After having obtained such

approvals and clearances, Franchisee shall submit to us, for our approval, final plans for construction based upon the preliminary plans and specifications. Once approved by us, such final plans shall not thereafter be changed or modified without our prior written permission. Any such change made without our prior written permission shall constitute a material default under this Agreement and we may withhold its authorization to open the Taproom until the unauthorized change is rectified (or reversed) to our reasonable satisfaction.

Franchisee shall comply with all federal, state and local laws, codes and regulations, including without limitation, the applicable provisions of the ADA regarding the construction, design and operation of the Taproom. If Franchisee receives any complaint, claim or other notice alleging a failure to comply with the ADA or other law or regulation related to health or safety, Franchisee agrees that it shall provide us with a copy of such notice immediately or within five (5) days after receipt thereof. Franchisee shall remedy the problem within the required time frame or review with us the matter and comply with our direction regarding the timing and nature of the remedy.

Except as provided in Section IX.A of this Agreement, Franchisee shall construct, furnish and open the Taproom according to the requirements contained herein, and Franchisee shall open the Taproom no later than one hundred and eighty (180) days from the Effective Date. Prior to opening for business, Franchisee shall provide us with evidence of lien-free completion of all work (including, without limitation, any and all mechanic liens) and to comply with all pre-opening requirements set forth in this Agreement (including without limitation those with respect to the grand opening advertising program), the Operations Manual, and/or elsewhere in writing by us.

Franchisee shall not open the Taproom for operation until we have determined that all construction has been substantially completed, and that such construction conforms to our standards including, but not limited, to materials, quality of work, equipment, furnishings, fixtures, menu boards, signage, decor, paint and we have given Franchisee written approval to open, which approval shall not be unreasonably withheld. Our approval to open the Taproom for operation does not constitute a waiver of our right to require Franchisee to conform the Taproom to our standards.

U. Training

Prior to Franchisee's opening of the Taproom to the public, Franchisee, its Owners (if it is an Entity) and General Manager shall complete to our satisfaction our four (4) week training program required by this Agreement within sixty (60) days of the date Franchisee anticipates opening the Taproom for business. We may, at our discretion, make available additional training programs, certifications, seminars, as well as refresher courses available to the Franchisee and/or Franchisee's designated individual(s) from time to time. We may, at any time, discontinue management training and decline to certify Franchisee and/or Franchisee's designated individual(s) who fail to demonstrate an understanding of the management training acceptable to us. If Franchisee or Franchisee's designated individual's management training is discontinued by us, Franchisee shall have thirty (30) days to present an alternative acceptable candidate for management training to us. If Franchisee's new candidate does not adequately complete the management training, then we shall have the option of terminating this Agreement. We shall provide instructors and training materials for all required training programs; and Franchisee, its Owners and/or General Manager who attend the training shall be responsible for all other expenses incurred in connection with any training programs, including, without limitation, the cost of transportation, lodging, meals, and wages.

V. Ongoing Training and Support.

Franchisee will have access to our personnel for questions, ongoing training and support by phone and e-mail during regular business hours (Eastern Time Zone). We will continue to consult with and advise Franchisee; provide telephone assistance, free of charge, to answer any questions from Franchisee or its staff (Section XX.A of this Agreement), provide updates to approved Products and

Services in addition to Manual specifications, marketing and operational updates as they become available; review advertising, product, supply, equipment, vendor and/or supplier approval requests; and administer the System Advertising Fund.

XIII. OBLIGATIONS OF FRANCHISEE RELATING TO INSURANCE

A. Overall Coverage Required

Before Franchisee opens a Hoppin'™ Franchised Business, Franchisee must purchase insurance coverage from a responsible carrier with a performance rating of A or higher as rated in the most recent edition of Best Insurance Reports (or comparable criteria as we may specify) and Franchisee must maintain such insurance throughout the duration of the initial term of the Franchise Agreement and any renewal terms. Franchisee shall list us as additional insured on all its insurance policies. Franchisee will procure and maintain general liability insurance with a minimum policy limit of One Million Dollars ($1,000,000) per occurrence and Two Million Dollars ($2,000,000) aggregate (this policy should include general tort, premises damage, personal and advertising injury and should be at least $2,000,000) in addition to product liability insurance (covers Franchisee for damages that result in injury from products Franchisee distributes) and property and casualty insurance with a minimum policy limit of One Million Dollars ($1,000,000) per occurrence and Two Million Dollars ($2,000,000) aggregate or an amount specified by the us.

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

For any construction, renovation, refurbishment or remodeling of the site, Franchisee must require that its general contractor maintain, with an approved insurer, commercial general liability insurance with limits of no less than One Million Dollars ($1,000,000) per claim, naming Franchisee and us as additional insureds, as their interests may appear, together with workers' compensation and employer's liability insurance as required by law and as required by the lease. It is Franchisee's responsibility to obtain certificates of insurance from the contractor prior to the initiation of any construction.

To the extent available, we may require Franchisee to obtain: professional liability insurance (covers Franchisee for damages that do not result in property damage or bodily injury), employment practices liability insurance, employee dishonesty insurance and crime insurance as well as other disability benefits type insurance as may be required by the statute or rule of each state, with policy limits of One Million Dollars ($1,000,000) or in the amount we specify.

All insurance policies will name Franchisee as certificate holder and us and our affiliates as an additional named insured with waiver of subrogation by Franchisee for the benefit of us. We may establish minimum standards for coverage to be met by underwriters for insurance. Before beginning operations, Franchisee will obtain any other liability insurance required by law, provide us with certificates of insurance and a complete copy of all insurance policies within ten (10) days of issuance, and maintain all required insurance during the term of this Agreement. Franchisee shall also furnish us with certificates and endorsements evidencing insurance coverage within ten (10) days after each of the following events (i) at all policy renewal periods, no less often than annually and (ii) at all instances of any change to, addition to or replacement of any insurance. Lapses, alterations, or cancellations require immediate notice to us and shall, in our sole discretion, be deemed an immediate material breach of this Agreement as set forth in Section XXIII.C. If Franchisee fails to obtain the required insurance and to keep the same in full force and effect, we may, but shall not be obligated to, pay the premiums or acquire

insurance, and bill Franchisee. Franchisee shall reimburse us for the full cost of such insurance, along with a reasonable service charge to compensate us for the time and effort expended to secure such insurance. We may change these insurance requirements on reasonable notice to Franchisee.

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

Franchisee shall notify us immediately in writing of the occurrence of any material event that does or could give rise to an insurable claim by Franchisee or the Franchised Business, and no later than the date on which Franchisee notifies its insurance carrier.

We reserve the right to change or modify (including increasing) the required minimum coverage limits. We make no representation or warranty to Franchisee that the amount of insurance to be carried by Franchisee under the terms of this Agreement is adequate to fully protect Franchisee's interest. If Franchisee believes that the amount of any such insurance is insufficient, Franchisee is encouraged to obtain, at its sole cost and expense, such additional insurance as it may deem desirable or adequate. Franchisee agrees to seek the advice of its insurance advisor regarding the appropriate types of coverage and coverage limits Franchisee may need to sufficiently protect its Taproom. Franchisee acknowledges that we shall not, by the fact of approving, disapproving, waiving, accepting, or obtaining any insurance, incur any liability for or with respect to the amount of insurance carried, the form or legal sufficiency of such insurance, the solvency of any insurance companies or the payment or defense of any lawsuit in connection with such insurance coverage, and Franchisee hereby expressly assumes full responsibility therefore and all liability, if any, with respect thereto. Franchisee agrees to seek the advice of its insurance advisor regarding the appropriate types of coverage and coverage limits Franchisee may need to sufficiently protect its Franchise Business.

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

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

Additional Insured status shall be granted to Franchisor, including a thirty (30) day notice of modification or cancellation, and waiver of subrogation provision in all policies.

Franchisee shall furnish us with certified copies of each of the insurance policies described above on either the earlier of the opening of the Taproom for operation or one hundred and eighty (180) days following the date this Agreement is executed.

XIV. OBLIGATIONS OF FRANCHISEE RELATING TO ACCOUNTING AND RECORDS

A. Bookkeeping, Accounting and Records

Franchisee acknowledges that the maintenance of accurate financial records and the preparation of financial statements on a timely basis are essential to the efficient operation of the Taproom. If Franchisee is not qualified to maintain accurate financial records, in our reasonable determination, the Franchisee agrees to hire a qualified bookkeeper who will maintain the financial records of the Franchisee and who will attend to the bookkeeping for the Taproom not less than twice a week for that purpose.

Franchisee shall maintain during the term of this Agreement, and shall preserve for a minimum of seven (7) years, full, complete accurate records of sales, payroll, accounts payable and accounts receivable in accordance with the standard accounting system described by us in the Operations Manual or otherwise specified in writing. Franchisee will keep its books and records related to this business separate from any other business owned by Franchisee or its principals. Any such separate business will be conducted by a separate entity.

Franchisee will provide us with all hard copy and digital copies as we prescribe on or before the fifth (5th) day of each month or daily if we require. Franchisee will also deliver or provide electronic access to business records (we will have independent access to all information that Franchisee stores in any computer, POS system and software related to the Franchised Business), including an itemized report of Franchisee's Gross Revenue for the prior period on a form we prescribe, which will include payment for that periods' or months' fees due, and may include, to the extent that we require:

1. Franchisee's profit and loss statement, payroll records, certification or records of Gross Revenue (as defined in Section X.A), vendor summary reports and report of account receivables for the week, day, month or period reported; and/or

2. Copies of any and all receipts and contracts with updated location information in any format we specify;

3. Copies of all invoices for purchases of all products, supplies and equipment;

4. Copies of Franchisee's most recent sales tax return;

5. Copies of all inspections for the Taproom from governmental agencies;

6. Copies of all merchant account printouts received from the Franchisee's merchant account banking provider (i.e. records of credit and debit card transactions);

7. Copies of all bank deposits, and bank deposit records made by the Franchisee; and

8. A complete list of all guests and contact information (including but not limited to all: email addresses, physical addresses and telephone numbers) who have filed a complaint (internally, with governmental agencies or with third parties such as the Better Business Bureau) or sought any type of refund during the preceding month by the fifth (5th) day of each month or as we require.

Franchisee acknowledges and agrees that we, at all times during the term of this Agreement and after termination, expiration or cancellation of this Agreement, have the right to access (electronically or otherwise) all Business Records of the Franchise Business. We may use, transfer, copy or analyze such Business Records as we determine in our sole discretion to be in the best interest of the System. For purposes of this Agreement, "Business Records" means all records, documents, insurance policies, databases and the like (whether in print, electronic or other form), including all names, addresses, phone numbers, email addresses, contracts, financing arrangements, vendor records and all other records contained in databases created and maintained by Franchisee pertaining to the operation of the Taproom, including but not limited to records of guests, employees, vendors and other professionals related to the Taproom.

Franchisee will be required by us to obtain specific computers, POS systems and use specific software, including, without limitation, a license to use our Software (if developed by us), or any of our vendors in accordance with Section XII.I of this Agreement and the Operations Manual. Franchisee agrees to pay all costs in connection with obtaining the computers, POS system and software and Franchisee agrees to pay any software license or maintenance fee (if required). Franchisee agrees to

maintain, upgrade, update, etc. the computers and POS system and any additional licenses for any software as necessary (upgrades, maintenance and support for our proprietary software (if developed) will be provided by us as described in Section XX.I). We have the right to charge a reasonable fee for any additional licenses, modification, maintenance and/or support of proprietary software that we may license to Franchisee and other products and services that we may furnish to Franchisee related to the computers and POS systems.

Franchisee will adopt a fiscal year as approved by us and prepare all financial reports in accordance with U.S. generally accepted accounting principles, consistently applied. Franchisee must periodically deliver to us accounting, tax and other information or copies of documents, as we request.

B. Franchisor's Right to Audit

We or our agents may enter the Franchisee's location to examine or audit Franchisee's business at any reasonable time without notice. We may examine, inspect or audit Franchisee's database and Business Records, which records will include, but will not be limited to: payroll records, ledgers, purchase agreements, sales reports, timecards, check stubs, bank deposits, bank statements, merchant account printouts, receipts, sales tax records and returns, insurance policies and other documents. We will bear the cost of the audit, provided however, if Franchisee fails to report as required or understates Gross Revenue by two percent (2%) or more for any reported time period, in which case Franchisee will pay the audit costs in addition to amounts owned to us plus interest at eighteen percent (18%) per annum (1.5% per month) for all understated Gross Revenues or the maximum rate allowed by the laws of the State in which Franchisee's business is located as specified in the Operations Manual. Franchisee will immediately pay us all sums owed. The foregoing remedies shall be in addition to any other remedies we may have pursuant to this Agreement and as provided at law and in equity.

In addition to the cost of the audit described above, Franchisee shall reimburse us for any and all costs and expenses relating to the inspection (including, without limitation, travel, lodging and wage expenses and reasonable accounting and legal costs), and, at our discretion, submit audited financial statements prepared, at Franchisee's expense, by an independent certified public accountant satisfactory to us. If an inspection discloses an understatement in any payment to us of two percent (2%) or more, twice within any two (2) year period, such act or omission shall constitute grounds for immediate termination of this Agreement, as set forth in Section XXIII.C. The foregoing remedies shall be in addition to any other remedies we may have pursuant to this Agreement and as provided at law and in equity.

C. Method of Payment

All payments Franchisee makes to us will be by any method we specify, including cash, check, certified check, money order, credit card, automatic pre-authorized payment plan, Internet, or electronic funds transfer (as described in Section X.D of this Agreement). All payments to us and dollar amounts stated in this Agreement are in United States dollars unless otherwise expressed. Notwithstanding any other provision in this Agreement to the contrary, in the event the United States currency is redeemed, renominated or another currency is issued in its place the new currency will be required. If a conversion of royalties or other payments from another currency is made, the conversion shall be made as of the date the payment is due, or the date the payment is actually made, whichever is more beneficial to us. Franchisee is responsible for any fees associated with payment methods other than cash, check or electronic transfer.

D. Submission of Financial Statements

Franchisee will provide us with a copy of Franchisee's year-end annual financial statements including a profit and loss statement and a balance sheet and containing complete notes and disclosures. Such statements will be prepared in accordance with United States Generally Accepted Accounting

Principles ("GAAP"), by an independent accountant, and Franchisee will deliver the financial statements to us within ninety (90) days after Franchisee's fiscal year end.

E. Disclosure of Financial Statements

Franchisee hereby grants us permission to release to Franchisee's lenders or prospective lenders, our purchasers or prospective resell purchasers, any financial and operational information relating to Franchisee and/or the Taproom; however, we have no obligation to do so. Should we have acquired Franchisee's Taproom and intend to sell it to a prospective franchisee, we may show such buyer Franchisee's financial statements and related information.

Franchisee also authorizes us to make reasonable inquiries of Franchisee's bank, suppliers and creditors concerning the Taproom and hereby directs such persons and companies to provide to us such information and copies of documents pertaining to the Taproom as we may request.

XV. SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO USES OF NAMES AND MARKS

A. Names and Marks are Owned by Franchisor

We warrant with respect to our proprietary Names and Marks that:

1. Pursuant to a License Agreement between us and Hoppin, LLC, we have been granted the exclusive right to license the use of the Names and Marks to establish Hoppin'™ franchises in the United States.

2. We will take such steps as we deem reasonably necessary to preserve and protect the ownership and validity of such Names and Marks; and

3. Franchisee acknowledges that there may be third party pre-existing users or applicants/registrants of trademarks, trade names, or business names similar to the Names and Marks. We and Franchisee shall investigate such use, applications, or registrations, if any, and we shall in our sole discretion decide on the appropriate action to be taken. Any unsuccessful challenge made by us shall not constitute a ground for the termination of this Agreement. In the event we determine in our sole judgment that challenging any such third party's use of the Marks will not likely be successful, or would not be economically feasible to achieve, or if Franchisee shall be required to cease using the Marks (or any of them) by court order, or as a result of any settlement of any such trademark claim by a prior registrant or any pre-existing user, or any other such trademark claim, or if we shall deem it necessary or appropriate to change the name of the Franchise in order to mitigate any potential exposure or damages arising under any trademark claim, Franchisee shall promptly change the name of its Franchise, and thereafter utilize an alternative name established by us. We shall not otherwise be liable for any losses or any consequential damages, incidental damage, exemplary damages, special damages, including lost future profits, resulting from or arising out of any trademark service mark, and/or unfair competition claim(s). We shall have no obligation to reimburse the Franchisee for any costs, causes of action, damages, demands, expenses, fines, liabilities, or penalties, arising out of such a trademark, service mark, logo or trade name change.

4. We will use and permit Franchisee and other franchisees to use the Marks in compliance with the System and standards attendant thereto and contained in the Operating Manual

as well as our policy statements, which underlie the goodwill associated with and symbolized by the Names and Marks.

B. Franchisee is Licensed to Use Names and Marks

With respect to Franchisee's franchised use of the Names and Marks pursuant to this Agreement, Franchisee agrees that:

1. Franchisee shall use only the Names and Marks as are approved in writing by us for Franchisee's use, and shall use them only in the manner authorized and permitted by us and that in any use whatsoever of the Names and Marks of ours that the Names and Marks are identified as being registered to or owned by us;

2. Franchisee shall use the Names and Marks only in connection with the operation of the Taproom and in advertising for the Taproom conducted at or from the Franchisee's web page and Accepted Location;

3. Franchisee shall use and display, as we may require in the operation of the Taproom, a notice in the form approved by us indicating that Franchisee is a "Franchise of Hoppin Franchising Group, LLC" and that the Names and Marks are used by Franchisee under such Franchise. Franchisee must indicate to third parties that it is "independently owned and operated" and that we own the Marks and Franchisee uses them under a license;

4. Unless otherwise authorized or required by us, Franchisee shall operate and advertise the Taproom under the Name and Mark "Hoppin'™";

5. Franchisee's right to use the Names and Marks is limited to such usages as are authorized under this Agreement, and any unauthorized use shall constitute an infringement of our rights and a material breach of this Agreement;

6. Franchisee must obtain our approval for any use of any item of printed material of any kind bearing any of the Names or Marks, unless we supplied the item. We shall approve or deny Franchisee's request, which approval is in our sole discretion, within thirty (30) days of receipt of Franchisee's written request. If we fail to respond to Franchisee's request within said thirty (30) day period, Franchisee's request shall be deemed denied. Franchisee shall use such notices of Trademark registrations and copyrights as we specify.

7. Franchisee shall not use the Names and Marks to incur any obligations or indebtedness on our behalf;

8. Franchisee shall not use the Names and Marks or any part thereof as part of its corporate or other legal name;

9. Except as otherwise permitted in this Agreement, Franchisee shall not use the Names and Marks or any part thereof in any form on the Internet, including but not limited to, addresses, domain names, URL's, Websites, links, metatags, locators and search techniques;

10. Franchisee shall comply with our instructions in filing and maintaining the requisite trade name or fictitious name registration, and shall execute any documents deemed necessary by us or our counsel to obtain protection for the Names and Marks or to maintain their continued validity and enforceability;

11. In the event any litigation involving the Names and Marks is instituted or threatened against Franchisee, Franchisee shall promptly notify us and shall cooperate fully with us in defending such litigation. Franchisee agrees to execute any and all instruments and documents, render such assistance, and do such acts or things as may, in the sole opinion of us, reasonably be necessary or advisable to protect and maintain the interests of us or any other interested party in the Names or Marks. Other than what is stated in this Agreement, we are not obligated to protect Franchisee's right to use the Marks or protect Franchisee against claims of infringement or unfair competition with respect to them and may direct Franchisee not to use the Marks or to change the Marks at Franchisee's expense. We will control all such litigation, arbitration, and mediation involving the Marks. The Franchisee has no authority to institute any litigation, file any arbitration, or institute any request for mediation regarding the Marks, nor does the Franchisee have any authority to enter into any settlement negotiations. Although we are not contractually obligated to protect the Marks or Franchise's right to use them, as a matter of corporate policy, we intend to defend the Marks vigorously;

12. During the term of this Agreement and any renewal, Franchisee shall identify itself as the owner of the Taproom in conjunction with any use of the Names and Marks, including, but not limited to, on invoices, order forms, receipts, and contracts, as well as at such conspicuous locations on the premises as we may designate in writing. The form and content of such identification shall comply with standards set forth in the Operations Manual; and

13. Franchisee further agrees to follow all of our quality standards that are inherent in the Names and Marks. Such quality standards are contained in the Operations Manual, as well as various memos or policy statements issued by us, and may be changed from time to time at our sole discretion.

C. <u>Franchisee Will Not Challenge Franchisor's Rights in Its Use of Names and Marks</u>

Franchisee agrees and acknowledges that:

1. As between the parties hereto, Hoppin, LLC is the owner of the Names and Marks, and she has all right, title, and interest in and to the Names and Marks and the goodwill associated with and symbolized by them;

2. The Names and Marks are valid and serve to identify the System and those who are franchised under the System;

3. Franchisee shall not directly or indirectly contest the validity or the ownership of the Names and Marks;

4. Franchisee's use of the Names and Marks pursuant to this Agreement does not give Franchisee any ownership interest or other interest in or to the Names and Marks, except the non-exclusive Franchise granted herein;

5. Any goodwill arising from Franchisee's use of the Names and Marks in its Taproom under the System shall inure solely and exclusively to our benefit, and upon expiration or termination of this Agreement and the Franchise herein granted, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the System or the Names and Marks;

6. We reserve the right to substitute different Names and Marks for use in identifying the System, the Taproom and other Franchised Businesses operating there under;

7. Franchisee hereby agrees to comply, at Franchisee's expense, with any directions from us to discontinue, modify, substitute or add Names and Marks. We cannot and do not make any guaranty that a modification, discontinuance or otherwise will not be required for any reason. In such event, we have no liability to Franchisee. Franchisee agrees to make no claim in connection with any modification, discontinuance or other action, and/or with any dispute regarding the Names and Marks. There is always a possibility that there might be one or more businesses using a name and/or marks similar to us with superior rights;

8. Franchisee hereby agrees not to register or attempt to register Names and Marks in Franchisee's name or that of any other firm, person or corporation;

9. The right and license of the Names and Marks granted to Franchisee is nonexclusive, and thus we have and retain the rights, among others:

    a. To use the Names and Marks and itself in connection with offering and selling Products (this would include retail items if we choose to sell retail items in the future), Services and equipment (if we choose to sell equipment in the future);

    b. To use the Names and Marks to market on the Internet, including all use of Websites, domain names, URL's, linking, advertising and co-branding arrangements. Franchisee may not establish a presence on the Internet except as we may specify and only with our prior written consent. We retain the right to approve any linking to or other use of our website or any other website specific to our Products and Services;

    c. To grant other franchises or licenses for the Names and Marks, in addition to those already granted to existing franchisees; and

    d. To develop and establish other systems using similar Names and Marks, or any other proprietary marks and to grant licenses or franchises thereto at any location(s) whatsoever without providing any rights therein to Franchisee.

10. Franchisee understands and acknowledges that we have the unrestricted right to engage, directly or indirectly, through our employees, representatives, licensees, assigns, agents and others, at wholesale, retail and otherwise, in the production, distribution and sale of Products (including retail items if we choose to sell retail items in the future), equipment and/or Software (if developed) bearing the Names and Marks licensed or other names or marks. Franchisee shall not under any circumstances engage in any wholesale trade or sale of System Products, equipment and/or Software for resale and/or independently act as an exclusive distributor for any third-party vendor or secure any exclusive rights for any System Product, equipment and/or Software or any of these items that are not part of our System.

D. Ownership of Intellectual Property

Franchisee acknowledges that we are the exclusive owner of the intellectual property which includes the following: our Names and Marks (some by license from Hoppin, LLC), all Confidential Information, all intellectual property associated with the Names and Marks and the System, vendor and supplier relationships, all Employees and guest lists and all guest phone listings/addresses/URLs held by Franchisee. Franchisee agrees that Franchisee will not use these lists for any purpose other than in relation to the Taproom. Franchisee will, on demand, promptly deliver to us a complete list of Franchisee's employee and guest lists including information we may request related to such employees and guests. The use of any or all such intellectual property shall not create in Franchisee, or its Owners, if

it is an Entity, title or interest in or to any of it except as expressly provided in this Agreement. Neither Franchisee, nor any of its Owners shall directly or indirectly assert any right, title or interest in or to any of the Marks or any other part of the intellectual property other than as provided for in this Agreement. Franchisee acknowledges that we shall own all intellectual property rights to any materials provided to the Franchisee by us, or developed by the Franchisee pursuant to this Agreement. Such ownership rights shall be in all media, whether now known or hereinafter invented, by all means, methods, and processes, including complete and entire interactive rights, and rights to derivative works.

XVI. SPECIFIC OBLIGATIONS OF THE FRANCHISEE RELATING TO CONFIDENTIALITY OF PROPRIETARY INFORMATION

A. Franchisee Shall Learn Proprietary Matters

Franchisee acknowledges that it will obtain knowledge of proprietary matters, methods, techniques and business procedures of ours that are necessary and essential to the operation of the Franchise, without which Franchisee could not effectively and efficiently operate such business, including, without limitation, knowledge regarding: the System, build-out specifications, décor and signage (including menu boards); distinctive Products, Services, specifications for all products, equipment, supplies and services used; vendors and suppliers, software, advertising, marketing and promotional materials (including photographs of food), service standards and operational strategies necessary for the operation of the Taproom in addition to our Operations Manual. Franchisee further acknowledges that all Confidential Information was not known to Franchisee prior to execution of this Agreement and that our methods are unique and novel to the System. Franchisee acknowledges that Confidential Information shall also include:

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

2. Any person or entity which has, have been or becomes a patron of the Hoppin'™ Taproom;

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

4. The operating procedures of the System, including without limitation: how to prepare all menu items, specific methods and techniques; knowledge of all ingredients and product specifications, equipment operation and safety procedures; usage of the POS system and software, cost and pricing strategies, how to manage inventory levels, how to use our advertising, promotional and marketing materials, recommendations for hiring and training employees and best practices for record keeping and recommended accounting procedures;

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

6. The Products and Services offered to guests of a Hoppin'™ Taproom, including, without limitation, the scope of services performed and services refused; and

7. All documentation of the information listed in Section XVI.A including, without limitation, our training program and Operations Manual. During the term of this Agreement and for a period of five (5) years following the expiration or termination of this Agreement, Franchisee agrees not to use, divulge, directly or indirectly, any Confidential Information, without our prior written consent. Nothing contained herein

shall be construed so as to require Franchisee to divulge any secret processes, techniques, formulas, or the like.

B. Franchisee's Employees Will Not Disclose Confidential Information

Franchisee must keep the methods of operations (confidential information found in manuals, materials and other documents) and Operations Manuals confidential and not disclose them except to Franchisee's employees, agents and representatives, as they must have access to it in order to operate Hoppin'™ Taproom. Franchisee must follow all our security procedures, which include the execution and delivery to us of approved nondisclosure or non-competition agreements from each General Manager within one week after they are hired. These agreements state that such person shall not during the course of his/her employment, representation, or agency with Franchisee, or for a period of three (3) years thereafter, use, divulge, disclose or communicate, directly or indirectly, in any form or manner, to any person, firm or corporation or other Entity, any of our Confidential Information.

The Operations Manual (and all other manuals) are, and remain, our exclusive property. We will loan Franchisee one copy (hard or electronic) of the Operations Manual for the term of this Agreement. Franchisee must return the Operations Manual (and/or destroy any electronic versions of the Operations Manual) to us at the termination or expiration of this Agreement for any reason, or at any other time at our request. The Operations Manual contains mandatory and suggested specifications for the Taproom, service standards and operating procedures and further defines Franchisee's other obligations under this Agreement. We may change or add to the Operations Manual to reflect changes in our image, specifications, procedures and methods of operation, and will lend Franchisee copies of any changes or additions. However, we will not make any change that will change Franchisee's fundamental status and rights under this Agreement. Franchisee shall not copy any part of the Operations Manual (except for designated training sections), either physically or electronically. If Franchisee's copy of the Operations Manual is lost, destroyed or significantly damaged, Franchisee must replace the Operations Manual at its own expense as set forth in Section XX.G.

C. Relationship with Former Franchisees

Franchisee acknowledges that former franchisees (those whose franchise agreements have expired or have been terminated) may have the ability to compete unfairly with Franchisee and/or other members of Hoppin'™ System and to cause great injury to the reputation of the System and the Names and Marks. Franchisee therefore agrees as follows:

1. Franchisee will not sell, loan, give or otherwise transfer or deliver to any former franchisee, or allow any former franchisee to copy or otherwise obtain, any Confidential Information; any advertising or promotional materials produced by us or which bear any of our Names and Marks; any other materials or publications of ours, including, without limitation, the Operations Manual; any directory or roster of franchisees or approved vendors and suppliers, any other guest lists or mailing lists pertaining in any way to the System; or any other information about the System, Taproom or Confidential Information which is not available to the public.

2. Franchisee will not refer prospective patrons to any former franchisee.

3. Franchisee will not notify or advise any former franchisee of, or in any other way assist any former franchisee in learning about, the date, time and place of any meetings of franchisees.

4. If Franchisee observes any former franchisee using any of the Names and Marks in any way, or utilizing a business facility (including on any vehicles) for which the Names and Marks and/or distinctive color scheme have not been completely removed, Franchisee

shall immediately report such observations to us along with all details available to Franchisee.

5. Franchisee shall in general have no dealings with former franchisees which Franchisee, under this Agreement, could not have with a person who has never been a Hoppin'™ franchisee.

6. The provisions of this Section XVI.C shall apply to Franchisee as soon as Franchisee is on notice of the expiration or termination of another franchise agreement. Franchisee shall be deemed to be on such notice when:

   i. Franchisee receives a new franchisee directory in which such franchise does not appear; or

   ii. Franchise receives written notice from us that one or more particular franchise agreements have expired or a franchisee has been terminated.

D. Injunctive Relief is Available to Franchisor

Franchisee acknowledges that any failure to comply with the requirements of this Section XVI will cause us irreparable harm, and we shall be entitled to obtain specific performance of, or an injunction against any violation of, such requirements; Franchisee waives any requirements for the posting of any bond(s) relating thereto. Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by us in obtaining specific performance of, or an injunction against, violation of requirements of this Section XVI. The foregoing remedies shall be in addition to any other legal or equitable remedies, which we may have.

E. Franchisor's Patent Rights and Copyrights

We do not own rights in or to any patents that are material to the Franchise at this time. However, we claim copyright protection for several aspects of the System such as our: Operations Manual, Software (if developed), Products, product specifications, recipes, menu boards, signage, website, all marketing and promotional materials (including photographs of food) and operations literature. Such copyright ownership shall extend to all media, whether now known or hereinafter invented, by all means, methods, and processes, whether now known or hereinafter invented, including rights to interactive works, and derivative works. Furthermore, we claim rights to certain trade secrets and Confidential Information as discussed above.

F. Franchisee Shall Not Contest Franchisor's Ownership Right to Any Confidential Information, Trade Secrets, Patents or Copyrights

Franchisee expressly understands and acknowledges that:

1. We are the owner of our Confidential Information, trade secrets, copyrights, and patent rights;

2. Franchisee shall not directly or indirectly contest the validity or the ownership of our Confidential Information, trade secrets, copyrights, and patents;

3. Franchisee's use of our Confidential Information, trade secrets, copyrights, and patents does not give Franchisee any ownership interest or other interest in or to the Confidential Information, trade secrets, copyrights, and patents, except the non-exclusive Franchise granted herein;

4. Any goodwill arising from Franchisee's use of the Confidential Information, trade secrets, copyrights, and patents in its Taproom under the System shall inure solely and exclusively to our benefit, and upon expiration or termination of this Agreement and the Franchise herein granted, no monetary amount shall be assigned as attributable to any licensed Confidential Information, trade secrets, copyrights, and patents;

5. We reserve the right to substitute different Confidential Information, trade secrets, copyrights, and patents for use in operating and maintaining the System;

6. Franchisee hereby agrees to comply, at Franchisee's expense, with any directions from us to discontinue, modify, substitute or add any new Confidential Information, trade secrets, copyrights and patents. We cannot and do not make any guaranty that any modification or discontinuation of any aspect of the System or any other System related change will not be required. In any such event, we have no liability to Franchisee. Franchisee agrees to make no claim in connection with any modification, discontinuance or other action, and/or with any dispute regarding any licensed Confidential Information, trade secrets, copyrights, and patents;

7. Franchisee hereby agrees not to register or attempt to register or license any Confidential Information, trade secrets, copyrights or patents in Franchisee's name or that of any other firm, person or corporation; and

8. The right and license of the Confidential Information, trade secrets, copyrights, and patents granted to Franchisee is nonexclusive, and we thus have and retain the rights, among others:

    a. To use the trade secrets, Confidential Information, patents, and copyrights and itself in connection with offering Products and Services;

    b. To use the trade secrets, Confidential Information, copyrights, and patents to market on the Internet, including all use of Websites, domain names, URL's, linking, advertising and co-branding arrangements;

    c. To grant other licenses for the trade secrets, Confidential Information, copyrights, and patents, in addition to those licenses already granted to existing franchisees; and

    d. To develop and establish other systems using similar trade secrets, Confidential Information, patents, and copyrights, and to grant licenses or franchises thereto at any location(s) whatsoever without providing any rights therein to Franchisee.

9. Franchisee understands and acknowledges that we have the unrestricted right to engage, directly or indirectly, through its or their employees, representatives, licensees, assigns, agents and others, at wholesale, retail and otherwise, in the production, distribution and sale of products (including retail items if we choose to sell retail items in the future) and/or equipment (if we develop equipment in the future) bearing the trade secrets, Confidential Information, patents, and copyrights licensed, including without limitation, products and equipment included as part of the System.

XVII. SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO TAXES, PERMITS AND LAWSUITS

A. Franchisee Must Notify Franchisor of Lawsuits

Franchisee shall notify us in writing within five (5) days of notice of the commencement of any action, suit, or proceeding against Franchisee (including if Franchisee or any of its Owners are found guilty of a felony as defined in its state), and of the issuance of any inquiry, subpoena, order, writ, injunction, award or decree of any court, agency, or other governmental instrumentality, which arises out of, concerns, or may affect the operation or financial condition of the Taproom, including, without limitation, any criminal action or other proceedings brought by Franchisee against its Employees, guests or other persons. The Franchisee shall give advance written notice of Franchisee's intent to institute legal action against us, specifying the basis for such proposed action, and shall grant us thirty (30) days from receipt of said notice to cure the alleged act upon which such legal action is to be based.

B. Franchisee Must Pay Taxes Promptly

Franchisee shall promptly pay when due all taxes levied or assessed, including, without limitation, unemployment and sales taxes, and all accounts and other indebtedness of any kind incurred by Franchisee in the conduct of the Taproom. Franchisee shall pay us an amount equal to any sales tax, gross receipts tax or similar tax imposed on us with respect to any payments to us required under this Agreement, unless tax is credited against income tax otherwise payable by us.

C. Franchisee May Contest Tax Assessments

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

XVIII. SPECIFIC OBLIGATION OF FRANCHISEE RELATING TO INDEMNIFICATION

Franchisee understands and agrees that nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name or the name of any of our officers, owners, members, agents, directors, shareholders or employees. Franchisee further understands and agrees that we, and our officers, owners, members, agents, directors, shareholders and employees, shall in no event have or assume liability for, or be deemed liable as a result of, any such action, or by reason of any act or omission of Franchisee in its conduct of the Taproom or any claim or judgment arising there from against Franchisee.

For the purposes of this indemnification, the terms "claim, loss or obligation" will include compensatory, exemplary or punitive damages; fines and penalties; attorneys' fees; experts' fees; court costs; costs associated with investigating and defending against claims; settlement amounts, judgments, compensation for damages to our reputation and goodwill; and all other costs associated with any of the foregoing claims, losses or obligations.

Franchisee shall defend, indemnify and hold us and our officers, owners, agents, directors, shareholders and employees harmless from all fines, suits, proceedings, claims (including but not limited to, any safety and security claims, claims of injury, claims of theft, claims arising as a result of the operation and/or maintenance of any vehicles, claims of neglect, abuse, death, vicarious or other liability), demands, actions, losses, damages, costs, expenses, fees (including legal fees, disbursements and related expenses), penalties and/or any other liability of any kind or nature, however arising out of or otherwise connected with and/or related to any act, error and/or omission of Franchisee (including

Franchisee's ownership, operation, training of Employees and/or management of the Franchised Business); and/or any referral, service provider, supplier or other agent/independent contractor or employee of Franchisee including acts, errors or omissions committed or incurred, negligent or intentional acts in connection with Franchisee's operation of the Taproom; libel, slander or any other form of defamation by Franchisee and any infringement, violation or alleged infringement or violation of any Name, Mark, patent or copyright or any misuse of the Confidential Information. This provision includes any liability arising from labor or employment law violations as well as any liability related to joint employer claims. This provision includes all claims as indicated above, of ours, directly against Franchisee (without a third-party involvement) due to acts or omissions of Franchisee or us in which we suffer damages including but not limited to, harm to our goodwill and reputation.

We will have the right to control all litigation, including selection and management of counsel, and to defend and/or settle any claim, against and/or including us and/or our-related persons/entities, or affecting our and/or their interests with no obligation to Franchisee and without affecting our rights under this indemnity or otherwise. Franchisee may appoint separate independent counsel to represent Franchisee's interest in such suits, proceedings, claims, etc., all at Franchisee's expense. Franchisee's indemnification obligations survive termination of this Agreement.

XIX. MISCELLANEOUS COVENANTS OF FRANCHISEE

A. Covenants are Independent

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

B. Franchisee's Principals

The term "Franchisee's Principals" shall include, collectively and individually, Franchisee's spouse, if Franchisee is an entity, all managing partners, general partners, members, managers, shareholders, officers, directors and their spouses or other operational personnel whom we designate as Franchisee's Principals and all holders of an ownership interest in any entity directly or indirectly controlling Franchisee, and any other person or entity controlling, controlled by or under common control with Franchisee. The Franchisee shall list its initial Principals shall be listed on Schedule 7 of this Agreement.

C. Franchisee Will Not Compete Against Franchisor

Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee will receive valuable specialized training, our Confidential Information and our System.

Franchisee agrees that, except as otherwise approved in writing by us, Franchisee shall not, during the term of this Agreement and for a period of two (2) years from the date of (i) a transfer permitted under this Agreement; (ii) the expiration or termination of this Agreement (regardless of the cause for termination); or (iii) a final order of a duly authorized arbitrator, panel of arbitrators, or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to the enforcement of this Section XIX.C, either directly or indirectly for itself, or through, on behalf of, or in conjunction with, any person, persons, or legal entity, own, maintain, operate, engage in, be employed by, or have any interest in any business using any aspect of the System, the overall Hoppin'™ business concept, with similar Products and/or Services of a Hoppin'™ Taproom within a five (5) mile radius of the Accepted Location designated hereunder, or within a five (5) mile radius of

any other System franchise or company-owned business in existence or planned as of the time of termination or expiration of this Agreement as identified in the Franchise Disclosure Document in effect as of the date of expiration or termination of this Agreement.

The unenforceability of all or part of this covenant not to compete in any jurisdiction will not affect the enforceability of this covenant not to compete in any other jurisdictions, or the enforceability of the remainder of this Agreement. This covenant not to compete is given in part in specific consideration for access to trade secrets provided as a part of our training or ongoing support programs. In any jurisdiction in which the covenant contained in this Section XIX or any part of it is deemed not enforceable in whole or in part, Franchisee hereby grants us an option to purchase Franchisee's Taproom on expiration or termination of this Agreement. In such case, we may exercise this option by giving thirty (30) days' written notice to Franchisee (Sections XXII.C and XXII.E). On termination or expiration, Franchisee will deliver to us a list of these Assets (as described in Section XXIV.G) and their cost as well as receipts evidencing their cost. Franchisee must relinquish possession on receipt of payment, but no later than ninety (90) days after expiration or termination. Franchisee's other post termination obligations under this Agreement and by law remain in effect on termination or expiration of this Agreement.

D. Exception to Covenant Not to Compete

Section XIX.C hereof shall not apply to ownership by Franchisee or any of its Owners of less than a five percent (5%) beneficial interest in the outstanding equity securities of any Publicly-Held Corporation. As used in this Agreement the term "Publicly-Held Corporation" shall be deemed to refer to a corporation that has securities that has been registered under the Federal Securities Exchange Act of 1934.

E. Franchisee Will Not Divert Business

During the term of this Agreement and for a period of two (2) years following the expiration or termination of this Agreement, Franchisee agrees that it will not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, or legal entity:

1. Solicit, service, sell or attempt to divert business directly or indirectly to any competitor by direct or indirect inducement or otherwise, or any guests of its Taproom or any other franchisee including company-owned businesses with which or with whom Franchisee has had contact during the term of this Agreement to any competitor by direct or indirect inducement or otherwise; or

2. Do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Names and Marks or the System or both; or

3. Induce, directly or indirectly, any person (regardless of position) who is at that time employed by us or by any other franchisee of ours, to leave his or her employment. This also applies to any person (regardless of position) who was at any time during the prior twelve (12) months employed by us, any company-owned business or by any other franchisee of ours. The only exception is if Franchisee receives written consent by us or any other franchisee and works out some type of an arrangement to compensate the former employer for reasonable costs and expenses related to replacing the person.

F. Franchisor Is Entitled to Injunctive Relief

In addition to any and all other remedies and damages to which we are entitled, in order to protect our Names, Marks, Products, Services, Confidential Information, proprietary materials and rights, and goodwill, we may seek a permanent injunction and the preliminary or temporary equitable relief we deem necessary, to restrain the violation of this Agreement by Franchisee or any persons, parties, and

entities acting for Franchisee. Franchisee agrees that we may obtain the injunctive relief and enter it in any court or arbitration forum that we deem appropriate.

In recognition of the difficulty in determining on an expedited basis the value of, and the necessity of us to avoid irreparable harm and to protect, our Names and Marks, Products, Services, Confidential Information, methods of operation, copyrighted materials, patents, trade secrets, proprietary materials and rights, and goodwill, Franchisee waives, to the extent permitted by law, the right to interpose the defense that we have an adequate remedy at law. Franchisee further waives any requirement that we post a bond or other security, to the extent permitted by law.

G. Covenants Are Enforceable Independent of Claims

Franchisee expressly agrees that the existence of any claim it may have against us, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by us of the covenants of this Section XIX. Franchisee further agrees that we shall be entitled to set off any amounts owed by us to Franchisee against any loss or damage to us resulting from Franchisee's breach of this Section XIX.

H. No Right of Set-Off

Franchisee expressly agrees that the existence of any claims it may have against us, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by us of the covenants in this Section XIX and there shall be no set off for your claim. Franchisee agrees to pay all damages, costs and expenses (including reasonable attorney's fees) incurred by us in connection with the enforcement of this Section XIX.

I. Disclosure of Contact Information in FDD

Franchisee acknowledges that its contact information will be included in our Franchise Disclosure Document in the future, as required by North Carolina and other state agencies and the Federal Trade Commission, and that such inclusion may result in prospective franchisees contacting Franchisee.

XX. OBLIGATIONS OF THE FRANCHISOR: SUPERVISION, ASSISTANCE AND SERVICES

We shall provide Franchisee with the following assistance and services:

A. The Training Program

We will provide our initial training program at our headquarters or another location of our choice. Initial training will take place after Franchisee pays the Initial Franchisee Fee, but before Franchisee opens Taproom for operation. We will provide this initial four (4) week training program without charge for Franchisee and up to two (2) additional individuals (total of three people), being the Owners, or General Manager as designated by Franchisee no earlier than sixty (60) days prior to when the Franchisee anticipates opening the Taproom for operation. Franchisee will, however, be responsible for travel, accommodation, food, and other costs for all its attendees. Franchisee, its Owners and/or General Manager must attend and satisfactorily complete training within sixty (60) days that Franchisee anticipates opening the Taproom. If Franchisee, its Owners or General Manager fails to timely complete the initial training program to our satisfaction, Franchisee has the right to appoint another General Manager to be trained by us at Franchisee's expense and if the other General Manager does not satisfactorily complete the training to our satisfaction, then we may terminate this Agreement as described in Section XXIII.C. Any person designated by Franchisee to replace a previously trained Owner or General Manager must be trained by us within thirty (30) days of first employment, at

Franchisee's cost as provided below. For a second or subsequent franchise, we will not be obligated to provide additional training to Franchisee.

We may reasonably require Franchisee, its Owners or General Managers to receive or attend and complete to our satisfaction additional or advanced training from time to time. Franchisee may be required to pay a fee for such training of up to One Thousand Five Hundred Dollars ($1,500) per person per day. Franchisee must also pay for travel, food, and accommodations and all other related expenses. We will attempt to use distance learning techniques where possible, to minimize these costs.

Depending on availability, we may provide additional training to Franchisee for Franchisee's Owners and/or General Manager at Franchisee's request. Franchisee may be required to pay us any additional costs over and above the additional training fees such as travel that we reasonably incur should training be held at Franchisee's Taproom. If additional training is held at our corporate headquarters, Franchisee will be responsible for travel, food and accommodations and other expenses of its trainees.

We offer training resources, such as the Operations Manual to assist franchisees at their business location. Franchisee acknowledges that its compliance with the Operations Manual is vitally important to us and other System franchisees and is necessary to protect our representation and the guidance of the Names and Mark and to maintain the uniform quality of operation throughout the System. However, while the Operations Manual is designed to protect our reputation and the good will of the Names and Marks the Operations Manual is not designed to control the day-to-day operation of the Business. Franchisee shall give us not less than thirty (30) days' notice of the dates and times when Franchisee is available for training. Training dates must be mutually agreed upon by Franchisee and us.

i. We shall also offer additional training resources to the Franchisee to be determined by us, for the operation, advertising and promotion of the Taproom including refresher training programs, seminars, workshops, annual conference and information may be available through the intranet system on our website for the benefit of the Franchisee and the Franchisee's employees. We may charge a reasonable fee for additional training if deemed appropriate (distinct from continuing education) but not to exceed the additional training fee. All traveling, food, accommodations and other expenses incurred by the Franchisee or Franchisee's representatives or employees attending additional training shall be paid by Franchisee.

ii. We may conduct an annual conference at such place as shall be designated by it for all Franchisees but initially will most likely be our headquarters. A registration fee for each participant may be required not to exceed Five Hundred Dollars ($500) per person and its expenses and Franchisee will be responsible for costs associated with attending the conference such as travel, food, accommodations and other expenses. We reserve the right to increase the fee a reasonable amount based on reasonable criteria.

iii. We may provide continuing education sessions ("Continuing Education") at locations designated by it but most likely at our headquarters. Continuing Education sessions may have a registration charge of Two Hundred Dollars ($200) per day per person. Franchisee is responsible for all costs associated with attending such sessions such as travel, food and accommodations or our expenses (such as travel, food and accommodations) if we provide Continuing Education sessions onsite at Franchisee's Taproom. The Continuing Education sessions will normally not exceed one (1) day and it is expected we will at least have quarterly sessions subject to special need. The content will cover particular aspects of the Franchise including but not limited to new Products and approved Services, updated recipes, preparation and presentation standards; updated lists

of approved products, supplies, equipment or services Franchisee is authorized to use; operational standards, computer, POS system and software developments; sales, merchandising, promotional programs and marketing; administration and so forth. We reserve the right to increase the per day fee a reasonable amount based on reasonable criteria.

We may, but are not obligated to, offer additional training resources to the Franchisee to be determined by us, for the operation, advertising and promotion of the Taproom which may include certification programs, seminars, workshops, product or service training programs, annual convention and information available through our website for the benefit of the Franchisee and the Franchisee's employees. We may charge a reasonable fee for additional training if deemed appropriate. Any and all travel, food, and accommodations and other expenses incurred by the Franchisee or Franchisee's representatives or employees attending our training shall be paid by the Franchisee.

As part of the initial training program, we will provide Franchisee with: a written list of approved Products, Services and Rewards Programs Franchisee can offer in its Taproom; a written list of approved vendors and suppliers to lease and/or purchase products, supplies, equipment and services from; a written list of Minimum Representation requirements; a written list of guest service standards; a written list of cleaning standards and recommended procedures to follow when hiring a laundry service; our Operations Manual, product knowledge and specifications, strategies for leasing and/or purchasing equipment, products and supplies; inventory management, equipment operations, operational standards and techniques in efficiencies, recommended hiring and training guidelines, safety procedures, sales and promotional strategies; suggested pricing and rates for Products and Services in addition to software programs as described in Section XX.I that may or may not have been developed by us (or our affiliates) and required in the operation of each Taproom. We reserve the right, in our sole discretion, to add, modify and change such training from time to time. Franchisee will be responsible for all costs associated with the administration of such changes.

We will provide Franchisee with any Software, if developed. Basic initial training for the Software and all other software programs necessary to run the Taproom will be provided as part of the initial franchise training program. In addition, we may provide technical support, ongoing assistance, consultation and upgrade requirements for Franchisee's computers, POS system and software. We will update and make changes to the Software, if developed, as it deems necessary. We will provide recommendations for other software programs necessary for the operation of the Taproom. All costs associated with installation, upgrading, protecting and maintaining the computers, POS system and all other software programs necessary for the operation of the Taproom are the sole responsibility of the Franchisee.

We will provide up to four (4) days of either pre-opening or grand opening supervision and train Franchisee's to Franchisee at its location when Franchisee opens its Taproom for operation. Franchisee shall give us not less than thirty (30) days' notice of when Franchisee wants us to provide either pre-opening or grand opening supervision and guidance. The dates for our visit for such assistance and guidance must be mutually agreed upon by Franchisee and us. Such assistance shall be completed no earlier than thirty (30) days prior to the opening date of the Taproom for operation and completed no later than ninety (90) days once the Taproom is open for operation. Any costs incurred by us in connection with the pre-opening or grand opening supervision and assistance onsite at Franchisee's Taproom within the timeframe as described above will be paid by us. If Franchisee does not take advantage of this onsite assistance and guidance within the timeframe described above, then we are not obligated to provide such assistance to Franchisee without charging Franchisee for the actual wages and travel expenses incurred by us. For Franchisee's second and subsequent Franchised Businesses, we will provide the same pre-opening or grand opening supervision and assistance as described above; however, Franchisee will be responsible for actual wages and travel expenses incurred by us. In such circumstances where Franchisee is responsible for actual wages and travel expenses, we will provide Franchisee with invoices for amounts owed and we may require Franchisee to pre-pay all or a portion of

the actual amounts incurred by us. Additional support requested by Franchisee will be subject to the training charges as described in Section XX.A.

We will provide ongoing guidance in the operation of Franchisee's Taproom and provide assistance to resolve operational challenges that Franchisee may encounter outside the scope of the Operations Manual. We can furnish this guidance in whatever manner we consider appropriate in our Business Judgment, including electronically via an intranet system, free of charge, to answer questions from Franchisee and its staff (responses to be provided as promptly as possible during regular business hours Eastern Time Zone). We will conduct, when and as frequently as we deem advisable, onsite inspections of the Taproom and evaluations of management and operations in order to assist the Franchisee and maintain System standards, quality, appearance and service. If we have not inspected the Franchisee's Business in the past twelve (12) months and Franchisee would like to have an inspection performed, Franchisee must notify us in writing and we will perform an inspection within three (3) months of Franchisee's request. Any inspection that Franchisee requests, the cost of the inspection will be at Franchisee's expense. We may furnish guidance in writing, telephonically, through training programs and/or onsite consultations or web based computer training, among other methods. Onsite consultations are subject to additional training fees (as mentioned above) in addition to any and all travel, food, accommodations, and other expenses incurred by us and shall be paid by Franchisee.

We may provide guidance to Franchisee in its efforts to obtain all licenses, permits, approvals and inspections required by governmental agencies to construct and operate the Taproom. Ultimately, however it is Franchisee's responsibility and obligation to obtain and maintain all such licenses, permits, approvals and inspections and all out of pocket costs associated with obtaining and maintaining such licenses, permits, approvals and inspections as described in Section XII.C of this Agreement.

We may, from time to time, provide to Franchisee, at Franchisee's expense, such advertising and promotional plans and materials (including photographs of food) for local advertising as described in Section XII.L of this Agreement and may direct the discontinuance of such plans and materials (including all photographs of food), from time to time. We must review and approve prior to the Franchisee's use all other advertising and promotional materials, pursuant to Section XII.L. The Franchisee will not use any disapproved advertising or promotional materials.

We may provide memos, newsletters, bulletins, brochures, manuals and reports, if any, as may from time to time be published by or on our behalf regarding our plans, policies, developments and activities. In addition, we may provide such communication concerning new Products, Services, Rewards programs, industry developments, recipes, preparation, operating procedures, training, software, marketing, advertising and improvements to management that we feel are relevant to the operation of the Taproom and communication with other franchisees by means of our intranet system. We may also establish a Franchisee elected peer group whose main purpose will be to mentor, support each other and regularly communicate to franchisees. We have the power to dissolve, merge, or change such peer advisory groups.

We shall also provide guidance and specifications for the all equipment, furnishings, fixtures, technology items (as described in Section XII.I), software, menu boards and signage necessary to operate the Taproom. In addition, we shall provide guidance for establishing standardized accounting, bookkeeping, cost management and inventory tracking systems. The cost for such updates and/or upgrades is Franchisee's responsibility.

All of our obligations under this Agreement shall benefit only the Franchisee, and no other party is entitled to rely on, enforce, benefit from or obtain relief for breach of such obligations, either directly or by subrogation.

B. Web Page

We will provide to Franchisee a Hoppin'™ URL housed within the corporate website that may include interactive functionality and portals online for additional training, advertising, operational and support materials. Franchisee may customize parts of the web page with our approval however the look of the web page must remain consistent as specified in the Operations Manual. Franchisee agrees and acknowledges that maintenance and any changes, edits or updates to the web page must be performed by us, our affiliates and/or approved vendors. Upon approval of Franchisee's request, which must be submitted in writing, Franchisee is responsible for the cost of such changes. Franchisee may neither establish nor use any website or perform any type of website promotion over the Internet without our prior written approval and if such approval is granted Franchisee must comply with our requirements regarding discussing, advertising or disseminating any information on a website, regarding the Taproom as described in Section VI of this Agreement. We shall own all copyright and other intellectual property rights to the web page, as well as the contents of the corporate website or any other website upon expiration or termination of this Agreement as described in Section XXIV.E and this agreement constitutes a "work for hire". In the event that an arbitral panel or a court of competent jurisdiction holds that the customizations or contents are not works for hire, then the Franchisee agrees to assign all copyright and other intellectual property rights to the customizations to us. The term "all copyright and other intellectual property rights" shall include ownership rights in all media, whether now known or hereinafter invented, by all means, methods, and processes, whether now known or hereinafter invented, including interactive rights and rights to derivate works.

C. Site Selection

Franchisee has the responsibility for selecting a site for its Taproom. If Franchisee is leasing a space for the Taproom, we must review and approve the lease prior to the lease being signed. If the Franchisee is purchasing property, we must review and approve the lease or purchase contract prior to it being signed. We will review and approve or disapprove the location of the Taproom and will not unreasonably withhold our approval. We shall have the right, but not the obligation, to inspect the Taproom prior to opening. The Franchisee is responsible for all lease negotiations.

We do not represent that we have any special expertise in selecting sites by our approval. Our approval of a site is not a representation or warranty that the Taproom will be profitable or that Franchisee's sales will attain any predetermined levels. Approval is intended only to indicate that the proposed site meets our minimum criteria for identifying sites. Franchisee agrees that our approval or disapproval of a proposed site does not impose any liability on us.

D. Taproom Layout and Design

We will assist the Franchisee in the review of the layout and design of the Taproom prior to the Franchisee signing a lease or sublease. We will provide Franchisee with guidelines of the layout and design of its Taproom, however Franchisee may need to hire its own architect, at its own expense, to create a complete set of drawings based on the facility size and local permitting requirements. We must review and approve Franchisee's architect's final plan. We do not represent that we have any special expertise in approving architectural plans. Our approval of Franchisee's architectural plan is not a representation or warranty that such plan will meet local permitting requirements or that such plan will not have to be revised or done over again in order to get final approval by local authorities. Approval is intended only to indicate that the Taproom is set up and meets our minimum criteria. Franchisee agrees that our approval or disapproval of Franchisee's architectural plans do not impose any liability on us. The costs of leasehold improvements, equipment, furniture, fixtures, technology items, signs and décor for finishing out the Taproom are the responsibility of the Franchisee.

We will make available to Franchisee, at no charge, and advise Franchisee with regards to design plans, floor plans and mandatory specifications for the construction and layout of the Taproom which

includes the exterior and interior design. Franchisee acknowledges that such specifications shall not contain the requirements of any federal, state or local law, code or regulation (including without limitation those concerning the Americans with Disabilities Act (the "ADA") or similar rules governing public accommodations or commercial facilities for persons with disabilities). Franchisee must adhere to all local zoning ordinances, regulations, fire, health and building codes, compliance with all of which shall be Franchisee's responsibility and at Franchisee's expense. Franchisee shall adapt, at Franchisee's expense, standard plans and specifications for the Taproom, subject to our approval, as provided in Section XII.T of this Agreement, which will not be unreasonably withheld, provided that such plans and specifications conform to our general criteria.

Franchisee understands and acknowledges that we have the right to modify the final set of drawings, architectural plans, floor plans, schematics and/or specifications as we deem appropriate, periodically (however we will not modify the final set of drawings, architectural plans, floor plans, schematics and/or specifications for the Taproom developed pursuant to this Agreement once those final set of drawings, architectural plans, floor plans, schematics and/or specifications have been approved by us and given to Franchisee).

E. Hiring Employees

We will provide Franchisee with recommended hiring guidelines when hiring Employees (defined in Section XII.F of this Agreement) for its Taproom. These guidelines are provided for reference only and Franchisee acknowledges that it bears the sole responsibility for hiring, training and firing Employees. Further, Franchisee acknowledges that we are not responsible for and do not direct or control the conduct of Franchisee's employees. Such recommendations and suggestions will be covered in the initial training program and are specified in the Operations Manual. Franchisee understands that such recommendations and suggestions will be updated and may change periodically at our discretion. Franchisee can negotiate any rate for Employees. Franchisee may be provided with a recommended rate or wage schedule and may elect to use, subject to applicable laws, these rates or wages as a guide when hiring Employees. Franchisee acknowledges that we have made no guarantee or warranty that using such recommended or suggested rates or wages will enhance Franchisee's sales or profits. Rate or wage negotiations with Employees are the sole responsibility of the Franchisee. Franchisee acknowledges that it is fully in charge of hiring of all employees and for managing those employees on an on-going basis. Our input as to hiring and management of employees are suggestions and guidelines which we believe are important, and except for specific requirement set forth in this Agreement or the Manual, Franchisee is responsible for making all employee related decisions.

Failure of Franchisee to adhere to our guidelines and standards when hiring Employees which may include the requirement of criminal background checks for all prospective employees may be considered a breach of this Agreement and we may terminate the Agreement in its sole discretion, except where the Franchisee has reasonable cause to deviate from our standards as described in Section XXIII.C of this Agreement.

F. No Warranties Other than in Writing

With respect to any products, supplies, equipment and services (as described in Section XII.I) provided by us or our affiliates and/or any person/company referred/approved by us or our affiliates, other than specific written warranties expressly provided in connection with such items, such items are provided without any warranties, express or implied, the warranties of merchantability, quality of such items, accuracy of informational content, system integration and suitability for a particular purpose being expressly disclaimed. In addition, we make no warranties regarding any open source code contained in any software that we may provide to the Franchisee. We do not warrant that any such software shall be free of bugs, viruses, worms, or Trojan horses.

We are not liable for any guarantee that Franchisee or any Owners, General Manager, agents or Employees make to any guest or third party. Franchisee will offer and fully comply with any of our Rewards Programs, membership programs, loyalty programs, gift card programs and/or promotions as developed and designated by us as described in Section XII.H of this Agreement. Franchisee will not misrepresent or omit or fail to state any guarantee when such programs are implemented.

G. Operations Manuals

We will revise the Operations Manual and the contents of any other manuals and materials created or approved for use in the operation of the Taproom, from time to time as we deem necessary to improve on its methods of operations. Franchisee expressly agrees that each new or changed standard shall be deemed effective upon receipt by Franchisee or as specified in such standard. We will lend Franchisee the confidential Operations Manual for the initial Franchisee training session and if Franchisee satisfactorily completes training, for the term of this Agreement. If the copy of the Operations Manual loaned to Franchisee is lost, stolen or destroyed before Franchisee returns it to us, Franchisee must replace such manual its own expense.

The Operations Manual is designed to protect the System and the Names and Marks associated with the System, and not to control the day-to-day operation of the Business. Franchisee at all times will remain responsible for the operation of the Business and all activities occurring at or associated with the Business.

Franchisee shall at all times treat the Operations Manual, and any of our written directives, any business plans and specifications, and any other manuals created for or approved for use in the operation of the Taproom, and any supplements thereto, and the information contained therein, in trust and as Confidential Information, as well as our trade secrets, and shall use all reasonable efforts to maintain such information as secret and confidential. Franchisee shall not at any time copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, nor otherwise make the same available to any unauthorized person.

The Operations Manual, written directives, other manuals and materials, and any other confidential communications provided or approved by us, shall at all times remain our sole property and shall at all times be kept and maintained in a secure place at the Taproom premises.

Any suggestions the Franchisee may have concerning the improvement of Franchisee's web page or our: Products, Services, recipes, website, facilities or service format; products, supplies, equipment, services, vendors and/or suppliers (as described in Section XII.I); our website (and Franchisee's web page), promotional programs, advertising and marketing materials are encouraged and shall be considered by us when adopting or modifying the standards, specifications and procedures for the System.

H. Selecting Vendors

We shall provide Franchisee with a written list of approved vendors and suppliers that may include or be limited to us or our affiliates for products, supplies, equipment and services (as described in Section XII.I) necessary for the operation of the Taproom. Franchisee understands that such lists will be updated and may change periodically at our discretion and Franchisee agrees to implement such updates at Franchisee's expense as described in Section XII.I of this Agreement. We will train Franchisee on strategies for leasing and/or purchasing such items during the initial training program. Franchisee will be required to submit in writing alternate products, supplies, equipment, services, vendors or suppliers to us for approval as described in Section XII.I of this Agreement. Franchisee acknowledges that we may receive royalties and/or other payments from some or all of the approved vendors.

I. Availability of Products, Supplies and Equipment

We will use commercially reasonable efforts to ensure that authorized vendors and suppliers, which may include or be limited to us and our affiliates, maintain a reasonable supply of products, supplies and equipment (as described in Section XII.I) for purchase by Franchisee. We require that the Franchisee lease or purchase such items from us, our affiliates or approved vendors and/or suppliers. We will provide Franchisee with list of written specifications for such items along with a list of approved vendors and Franchisee is responsible for acquiring all such items as are necessary for the operation of the Taproom. All items that are provided by us will be competitively priced, taking into account equivalent quality and other reasonable considerations.

We reserve the right to establish minimum and maximum pricing on certain Products and rates for approved Services from time to time based on competition prevalent within the taproom industry, as legally allowed (as further described in Section XX.K). We shall publish inventory and Minimum Representation requirements in the Operations Manual and such requirements may be amended from time to time by us in our sole discretion.

We reserve the right to implement a centralized purchasing system for franchisees and to negotiate prices and terms with vendors and suppliers and to receive rebates or other financial incentives from such purchases by franchisees. We may utilize such rebated funds in any manner we choose in our sole discretion as more fully described in Section X B. We reserve the right to require franchisees to purchase all products, supplies, equipment and services (as more fully described in Section XII.I) through our proprietary business to business intranet portal.

J. Advertising and Promotion

We shall develop and provide creative materials (including photographs of food) that could be used for local and regional advertising at our expense and make such advertising and promotional materials available to our Franchisees. Publication or distribution of such materials in the Franchisee's market area shall be at Franchisee's own expense. We will provide specific guidelines for advertising, marketing and promotions initiated by individual franchisees and shall reserve the right to disapprove any advertising, marketing and promotions, which, in our opinion, are not in accordance with these guidelines. However, no such approval shall be unreasonably withheld or denied. Immediately upon notification to do so, Franchisee shall discontinue any advertising that would, in our opinion, be detrimental to any franchisee or any part of the System or the Franchise.

K. Suggested Pricing for Products and Services

We will provide Franchisee with guidance and suggested pricing for Products and rates for Services offered by our franchisees. Franchisee shall have the right to sell and offer Products and approved Services at any price and/or rate Franchisee may determine and we reserve the right, to establish minimum and maximum pricing for any given Product or Service nationwide to the extent allowed by federal and state laws as explained in Sections XII.H and XII.I of this Agreement. Suggested pricing for Products and rates for Services may vary from region to region to the extent necessary to reflect differences in costs and other factors applicable to such regions. If Franchisee elects to sell or offer any Product or Service at any price and/or rate recommended by us, Franchisee acknowledges that we have made no guarantee or warranty that offering such Products or Services at our recommended prices and/or rates will enhance Franchisee's revenues, sales or profits.

We will provide Franchisee with recommended procedures when providing refunds and establishing Employee meal incentives in addition to a sample set of forms including policies, contracts, waivers, agreements, brochures, promotional and marketing materials (including photographs of food) in addition to various operational forms for use in the Taproom. We do not warrant the completeness, legality or enforceability of any agreements or forms. Franchisee must retain its own counsel to review

and revise such agreements and forms to comply with applicable federal and state laws. At our discretion, any and all forms used by Franchisee shall be subject to our review and approval and our decision of such approval will be provided within thirty (30) days after such forms are received by us.

We will continue to research and develop new Products, Services and Rewards Programs as we deem appropriate in our sole discretion. We may conduct market research and testing to determine consumer trends and salability of new Products, Services and Rewards Programs. If we select Franchisee, Franchisee can choose to participate in a market research program to test market new Products, Services and Rewards Programs in the Taproom and provide us with timely reports and other relevant information regarding that market research. If Franchisee participates in any test marketing, Franchisee agrees to purchase, at Franchisee's expense, a reasonable quantity of products, supplies, equipment or services being tested and to effectively promote and make a good faith effort to offer and/or sell Products and Services associated with them. Franchisee shall participate in and comply with our Rewards Programs and all sales and promotional programs and/or Product promotions established by us.

L. Business Planning Assistance

After Franchisee signs this Agreement, we may review and comment on any business plan and pro forma financial projections Franchisee prepares. We do not represent that we have any special expertise in reviewing or developing business plans, or that any business plan developed by us will result in any profits, revenues, incomes, margins, or sales. Our review and commentary of a business plan or financial pro-forma is not a representation or warranty that the Franchisee's business will be profitable, that the Franchisee will earn any revenues, or that Franchisee's sales will attain any pre-determined sales levels. Our review and commentary is intended only to provide information sharing to Franchisee and Franchisee agrees that such review and commentary does not impose any liability on us. Franchisee specifically acknowledges that we have not reviewed or commented on any business plan or pro-forma prior to the Effective Date of this Agreement.

XXI. VARYING STANDARDS

Because complete and detailed uniformity under many varying conditions may not be possible or practical, we specifically reserve the right and privilege, in our sole and absolute discretion and as we may deem to be in the best interests of all concerned in any specific instance, to vary standards for any franchisee based upon the peculiarities of a particular Taproom or circumstance, physical characteristics, freeway access, density of population or trade area, existing business practices, or any other condition which we deem to be of importance to the successful operation of such Franchisee's Taproom. Franchisee shall not have any right to object to a variation from standard specifications and practices granted to any other franchisee and shall not be entitled to require us to grant to Franchisee a like or similar variation, unless the laws of the Franchisee's state expressly require us to grant such a similar variation.

Franchisee acknowledges that when we use the phrases "sole and absolute discretion," "sole discretion" and/or "Business Judgment," whether in this Agreement or another context, we and Franchisee agree that we have the wholly unrestricted right to make decisions and/or take (or refrain from taking) actions except that we will not do so arbitrarily. We shall use our judgment in exercising such discretion based on our assessment of the interests we consider appropriate and will not be required to consider Franchisee's individual interests or the interests of any other franchisee(s). Franchisee, we and all other franchisees have a collective interest in working within a franchise system with the flexibility to adjust to business conditions, including but not limited to the competitive environment, new regulatory developments and emerging business opportunities. Therefore, we and Franchisee agree that the ultimate decision-making responsibility for the System must be vested in us. So long as we act in material compliance with the requirements of this Agreement, we will have no liability for the exercise of our discretion in accordance with the provisions of this Agreement.

XXII. RELOCATION, ASSIGNMENT, TRANSFER, SALE OR PURCHASE OF FRANCHISED BUSINESS

A. Relocation

Any relocation (1) shall be to a location within the Territory on Non-Traditional Location (unless waived by us), (2) requires our prior written consent, which we may grant, condition or withhold in our Business Judgment (and may be withheld, in any case, if Franchisee is not in good standing), (3) will be at Franchisee's sole expense and (4) will require that Franchisee (and each Owner if an Entity) sign a general release.

B. General Requirements for Assignment by Franchisee

Franchisee shall not voluntarily or involuntarily transfer, sell, assign or encumber any interest in or ownership or control of Franchisee, the Franchised Business, and/or its assets, the Taproom or this Agreement (however Franchisee is allowed to transfer up to twenty percent (20%) of its shares or other ownership interests as described below), except in the ordinary course, of business, or make any lease or sublease of any property Franchisee is leasing or subleasing in connection with the Taproom, without our prior written consent. Any attempted sale, assignment or transfer of any interest in Franchisee, the Franchised Business, and/or its assets, the Taproom or this Agreement without our prior written consent will be a default under the terms of this Agreement, and will be voidable by us. In granting any such consent, we may impose reasonable conditions, including, without limitation, the following:

1. Franchisee must be in full compliance with the terms of this Franchise Agreement, including being paid in full on all fees due and having settled all outstanding accounts with us, our affiliates and all suppliers;

2. The proposed transferee (if an Entity then its Owners) must meet our then-applicable standards;

3. The proposed transferee (or its owners if an Entity, managers, directors or officers) must not operate a franchise, license another or operate businesses offering products and services similar to those offered by a Hoppin'™ Taproom;

4. We shall charge a flat transfer fee of Two Thousand Five Hundred Dollars ($2,500) to Franchisee when transferring a part of its Franchise Business (defined as up to 49% of the stock, membership units, partnership units or share of any business trust); or a flat transfer fee of Ten Thousand Dollars ($10,000) when Franchisee transfers its entire Franchise Business upon our written consent (defined as all other transfers). The term "flat transfer fee" means that Franchisee shall pay this amount regardless of whether our actual cost to process the transfer is higher or lower than such amount. The flat transfer fee will include, but not be limited to, reasonable attorney's fees actually incurred, the cost of investigating the transferee and our administrative expenses (including employee salaries, sales staff commissions, travel costs, out of pocket costs properly attributable to the transfer). In addition, if the transferee was already in our lead database at the time of first contact between Franchisee and the transferee, we may require Franchisee to pay a referral fee (which amount will be customary for the transaction), in addition to the flat Two Thousand Five Hundred Dollar ($2,500) or Ten Thousand Dollar ($10,000) fee described above, plus the amount of any broker fees that we are responsible for paying to third parties (does not include our employees);

5. Transferee must pay for and successfully complete the training programs then required of new franchisees at a cost of One Thousand Five Hundred Dollars ($1,500) per person per day and our expenses, subject to increase from time to time.

6. Franchisee shall have substantially complied with all of the terms and provisions of this Agreement, any amendment hereof or successor hereto, or any other agreements between the Franchisee and our subsidiaries or affiliates and, at the time of transfer, shall not be in default;

7. Franchisee shall have executed a general release, in a form satisfactory to us, of any and all claims against us and our officers, directors, shareholders, and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances;

8. The transferee (and, if the transferee is other than an individual, such principals and/or owners of a beneficial interest in the transferee as we may request) shall enter into a written assumption agreement, in a form satisfactory to us, assuming and agreeing to discharge all of Franchisee's obligations, known by transferee after reasonable inquiry, under this Agreement and/or any new franchise agreement;

9. The transferee must meet our subjective and objective standards, including all quality standards, experience, talent, skills, educational, managerial, business and financial capacity; has the aptitude and ability to operate a Hoppin'™ taproom; and has adequate financial resources and capital to operate the Taproom;

10. The transferee (and, if an Entity its Owners of a beneficial interest in the transferee as we may request) shall execute and agree to be bound by the then current form of this Agreement, which form may contain provisions that materially alter the rights or obligations under this Agreement. Alternatively, we may in our sole discretion require the transferee to sign the then current form of this Agreement then being used by us, but where the term will end on the expiration date of this Agreement and with such renewal term, if any, as may be provided by this Agreement and the following requirement apply: (i), the transferee shall sign all other ancillary agreements as we may require for the Franchise Business as required under the then current form of this Agreement, which agreements shall supersede this Agreement in all respects, and (ii) additional changes to the terms of the Agreement may be made at our sole discretion, which include, without limitation, higher royalty fee payments, advertising contributions and renewal rights;

11. The transferee's royalty payments will not start over. For all transfers, royalty payments may continue at Franchisee's current rate or be subject to the then-current form of Agreement, as determined by us in our sole discretion;

12. The transferee, at its expense, shall upgrade the Taproom to conform to our then-current standards and specifications of the System and shall complete the upgrading and other requirements within the time specified by us;

13. Franchisee shall remain liable for all of the obligations to us in connection with the Franchise Business it incurred prior to the effective date of the transfer and shall execute any and all instruments reasonably requested by us to evidence such liability;

14. Franchisee must obtain and submit satisfactory evidence of transfer or consent of lenders, lessors and governmental authorities for all material permits, approvals and licenses;

15. Franchisee may transfer up to twenty percent (20%) of its shares or other ownership interests to any person or entity, in the aggregate, without invoking this provision, provided that in connection with any such transfer of more than ten percent (10%) ownership the transferee executes the same Guaranty and other agreements which would

be required upon execution of this Agreement by Franchisee, if such transferee had then been the owner of such percentage of Franchisee's shares or other ownership interests. Franchisee's transfer of an ownership interest without complying with the foregoing, or transfers of more than twenty percent (20%) ownership in the Franchisee's entity, in one or more transfers, without our prior written approval is a material breach of this Agreement;

16. The transferee shall agree to a sublease or to a transfer and assignment, and assumption of the lease of the Taproom from the original Franchisee and shall obtain the landlord's approval if required prior to any transfer or sublease, if applicable;

17. The transfer must be completed in compliance with the terms of any applicable leases and other agreements and with all applicable laws, including but not limited to licensing and operations-related laws and/or laws governing franchise sales;

18. Franchisee agrees that we may (but are not required to) discuss with Franchisee and/or the proposed transferee any matters related to any transfer at any time which we consider to be appropriate in our Business Judgment without liability (including our opinion of the terms of sale, performance of the Franchise, etc.). Franchisee expressly consents to any such discussions by us and we may contact any proposed transferee directly regarding such matters or otherwise;

19. Neither Franchisee nor any transferee shall rely on us to assist in the evaluation of the terms of any proposed transfer. Franchisee acknowledges and agrees that an approval of a proposed transfer shall not be deemed to be an approval of the terms, nor any indication as to any likelihood of success or economic viability;

20. Franchisee and its Owners and/or Principals will agree not to compete, not to divert business or attempt to hire employees, after the transfer in accordance with restrictions acceptable to us and substantially similar to those described in Section XIX.C of this Agreement; and

21. Franchisee and its Owners and/or Principals will not directly or indirectly at any time or in any manner (except with respect to other Hoppin'™ Taproom that Franchisee or its Principals own and operate) identify itself or any business as a current or former Hoppin'™ Taproom owner or as one of our franchise owners; use any Mark, any colorable imitation of a Mark, or other indicia of a Hoppin'™ Taproom in any manner or for any purpose; or utilize for any purpose any trade name, trade or service mark or other commercial symbol that suggest or indicates a connection or association with us as described in Sections XXIV.A and XXIV.C of this Agreement.

In addition, the Franchisee must submit copies of the draft Asset Purchase Agreement or Ownership Purchase Agreement, all draft Promissory Notes, and Security Agreements, with the transferee, regardless of whether they are Franchisee financed or lender financed. In addition to all other grounds for rejection, we have the right to reject any proposed purchase of the assets of the Franchised Business or any type of ownership interest in the Franchisee or Franchised Business on the grounds that the proposed transferee has, in our sole opinion, taken on too much debt.

C. Transfer, Sale or Assignment by Franchisor and Franchisor's Right of First Refusal

Franchisee acknowledges that we have an unrestricted right to sell, transfer or assign our rights or obligations under this Agreement to any transferee or legal successor of ours.

We have a right of first refusal regarding any proposed sale, assignment or transfer by Franchisee subject to this Agreement. During the term of this Agreement, if Franchisee, any of its Owners wish to sell, assign or otherwise transfer an interest in this Agreement, the Franchised Business and/or its assets, or an ownership interest in Franchisee (collectively, the "Interest"), then Franchisee will comply with the requirements of Sections XXII.B, XXII.C and XXII.E of this Agreement.

Franchisee will notify us within ten (10) days after Franchisee has commenced discussions or communications even if preliminary, regarding such a proposed sale, assignment or transfer and then send us written updates of the status of such discussions or communications every thirty (30) days thereafter unless and until such discussions or communications have ceased, in which case Franchisee must notify us in writing within five (5) business days that such discussions or communications have ceased. Whether the discussions have ceased or not, at our option, we may require Franchisee to send us, by certified mail or other receipted delivery, copies of any materials or information sent to the proposed buyer or transferee regarding the possible transaction as well as any materials Franchisee sends to the buyer or transferee. Before agreeing to any such transaction, Franchisee and its Owners agree to obtain from a responsible and fully disclosed buyer, and then send us, a true and complete copy of a bona fide, executed written offer (which may include a letter of intent) relating to any proposed transfer. The offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price. The bona fide offer with the proposed purchase price must be in a dollar amount, and the proposed buyer must submit with its offer a ten thousand dollar ($10,000) earnest money deposit (if a proposed disposition is part of a transaction involving additional Franchised Businesses, operating under other Franchise Agreements or license agreements with us, the proposed buyer must pay Franchisee this earnest money deposit for each Hoppin'™ Taproom involved).

To enable us to determine whether we will exercise our option, Franchisee or its Owners, shall provide such information and documentation, including financial statements, as we may require (as noted below). In the event that we elect to purchase said Interest, closing on such purchase must occur within ninety (90) days from the date of notice to the Franchisee of the election to purchase said Interest by us. Failure of us to exercise the option afforded by this Section XXII.C shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of Section XXII.B, with respect to a proposed transfer of any Interest. Any later change in the terms of any offer prior to closing shall constitute a new offer subject to the same rights of first refusal by us as in the case of an initial offer.

We may, by delivering written notice to Franchisee or its Owners within thirty (30) days after we receive both an exact copy of the offer and the Preliminary Due Diligence Package (the date on which we have received the exact copy of the offer and the Preliminary Due Diligence Package is called the "Trigger Date"), notify Franchisee of our non-binding preliminary intent to purchase or not to purchase the interest proposed to be sold. The "Preliminary Due Diligence Package" is information and copies of documents (where applicable) that Franchisee supplies to us which consists of Franchisee's Taproom financial statements (including weekly and monthly revenue information) for the preceding three (3) years, a copy of the Taproom's current lease or sublease (if applicable and if we do not already have it), information about the number and compensation of employees working at the Taproom, the Franchisee's merchant account printouts for the past three (3) years, the Franchisee's bank statements for the past three (3) years along with a description of competing bar, Taprooms or drink service businesses offering similar Products and Services operating within the Territory or Non-Traditional Location (if operating a Non-Traditional Location). If we notify Franchisee within thirty (30) days after the Trigger Date (the "First Notice Deadline") that we are preliminarily interested in exercising our right of first refusal, we will have an additional thirty (30) days after the First Notice Deadline both to conduct our due diligence and then to notify Franchisee of either our binding intent to exercise our right of first refusal or our decision not to exercise this right. This additional period is called the "Due Diligence Deadline". If we elect to purchase the interest proposed to be sold for the price and on the terms and conditions contained in the offer:

1) We may substitute cash for any other form of payment proposed in the offer (such as ownership interests in a privately-held entity);

2) Our credit is equal to the credit of any proposed buyer (meaning that, if the proposed consideration includes promissory notes; we may provide promissory notes with the same terms as those offered by the proposed buyer, except as to subordination). Regarding subordination, Franchisee acknowledges and agrees that our obligations under the promissory notes then outstanding to any and all lenders, although senior to the equity rights of its owners will also be senior to the promissory notes given to Franchisee;

3) We will have an additional thirty (30) days after the Due Diligence Deadline to close; and

4) We must receive, and Franchisee agrees to provide, all customary representations and warranties given a seller of assets of a similar business or the ownership interests in a similar legal entity, as applicable, including, without limitation, representations and warranties regarding:

   (i) Ownership and condition of and title to ownership interests and/or;

   (ii) Liens and encumbrances relating to ownership interests and/or assets;

   (iii) Validity of contracts and the liabilities, contingent or otherwise, of the entity whose ownership interests are being purchased;

   (iv) All products, supplies, equipment, technology items (as described in Section XII.I) and other such items necessary to operate the Taproom is in good working condition and suitable for use;

   (v) No litigation or administrative proceedings pending against the Franchisee, or any of its officers, directors, or Owners arising out of the Franchisee's Taproom;

   (vi) No notices from any federal, state, or local governmental authority to make any changes to the Taproom or that negatively affect it;

   (vii) The Franchisee has the authority to sell the assets of its Taproom, including a copy of all director and/or Owner resolutions;

   (viii) The Franchisee will comply with the Bulk Sales Act, if it is required under the laws of the Franchisee's state;

   (ix) There will be no material adverse change in the operation of the Franchisee's Taproom between the date of signature of any Asset Purchase Agreement, and the date of settlement;

   (x) There are no tax or employee claims or issues; and

   (xi) The Franchisee will not enter into any transaction between the date of signature and the date of settlement other than in the ordinary course of business.

D. Transfer Upon Death or Mental Incapacity

Upon the death or mental incapacity of any person with an interest in a Hoppin'™ Taproom, the executor, administrator, or personal representative of that person must transfer such interest to a third

party approved by us within six (6) months after death or mental incapacity. These transfers, including, without limitation, transfers by devise or inheritance, will be subject to the same restrictions and conditions as any inter vivos transfer. However, in the case of a transfer by devise or inheritance, if the heirs or beneficiaries of any deceased person are unable to meet the conditions of this Agreement, the personal representative of the deceased Franchisee shall have six (6) months to dispose of the deceased's interest in the Taproom, which disposition will be subject to all the terms and conditions for transfer contained in this Agreement. If the interest is not disposed of within six (6) months, we may terminate this Agreement.

Upon the death of the Franchisee or if an Entity, an Owner who owns more than ten percent (10%) or more of the Taproom or in the event of any temporary or permanent mental or physical disability of such person, a manager shall be employed for the operation of the Taproom who has successfully completed our training courses to operate the Taproom on behalf of the Franchisee. If after the death or disability of the named Owner, the Taproom is not being managed by such trained manager, we may at our option, appoint a manager to maintain the operation of the Taproom until an approved transferee or manager will be able to assume the management and operation of the Taproom, but no such operation and management of the Taproom will continue for more than ninety (90) days without the approval of the personal representative of the named Owner (renewable as necessary for up to one year) and we will periodically discuss the status of the Taproom with the personal representative of the named Owner; such manager shall be deemed an employee of the Franchisee. All funds from the operation of the Taproom during the period of management by such appointed or approved manager shall be kept in a separate fund and all expenses of the Taproom, including compensation of such manager, other costs and travel and living expenses of such appointed or approved manager (the "Management Expenses"), shall be charged to such fund. As compensation for the management services provided, in addition to any other fees due, we shall charge such fund the full amount of the direct expenses incurred by us during such period of management for and on behalf of Franchisee, provided that we shall only have a duty to utilize reasonable efforts and shall not be liable to Franchisee, the named Owner or personal representative of the named Owner, the Entity or any person or entity having an interest therein for any debts, losses or obligations incurred by the Taproom, or to any creditor of Franchisee or the named Owner during any period in which it is managed by our appointed or approved manager.

Within thirty (30) days after the effective date of legal transfer of the franchise to Franchisee's heirs or successors of Franchisee's Owners, the heirs or successors must notify us in writing and make application for approval of such transfer. The application for such transfer is subject to the same conditions, procedures and costs as any other transfer except that there will be no transfer fee.

E. Transfer, Sale or Assignment to Third Party

If we do not exercise our right to purchase within thirty (30) days pursuant to Section XXII.C, Franchisee may thereafter transfer, sell or assign the Interest to a third party, but not at a lower price or on more favorable terms than disclosed to us in writing. The sale is subject to our prior written approval as specified in this Agreement.

If Franchisee does not complete the sale to the proposed buyer within ninety (90) days after we notify Franchisee that we do not intend to exercise our right of first refusal (whether or not the First Notice Deadline or the Due Diligence Deadline has expired), or if there is a material change in the terms of the sale (which Franchisee must communicate promptly to us), we will have an additional right to accept the sale during the thirty (30) day period following either the expiration of that ninety (90) day period or our receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at our option. If Franchisee does not complete the sale to the proposed buyer within an additional ninety (90) days, then any proposed sale or transfer thereafter once again must comply with all of the provisions of Sections XXII.B, XXII.C and XXII.E, as though there had not previously been a proposed sale or transfer.

In addition to its other obligations, such as obtaining our prior written approval, if Franchisee sells or offers to sell ownership interests, the sale of which is regulated by any applicable law, Franchisee must: (i) fully comply with all applicable laws, (ii) disclose to offerees and purchasers that neither we nor our employees, affiliates or agents are an issuer or underwriter, or are in any way liable or responsible for the offering, (iii) ensure that we have a reasonable time to review any reference to us or our franchisees in any prospectus or offering documents before their distribution or use, (iv) pay our actual legal costs incurred for our review, (v) indemnify us, our officers, owners, directors, employees, affiliates, and agents from any liability, cost, damage, claim, and expense and from any and all obligations to any person, entity or governmental agencies arising out of or relating to the offer, sale or continuing investment, (vi) sign such further indemnities and provide such further assurances as we may reasonably require and (vii) disclose our ownership rights to all trademarks, service marks, trade names, logos, trade secrets, copyrights and patents.

If any provision of this Agreement is inconsistent with a valid applicable law, the provision will be deemed amended to conform to the minimum standards required. We and Franchisee may execute an addendum setting forth certain of these amendments applicable in certain jurisdictions, so long as and to the extent that, then applicable laws referred to in the addenda remain in effect.

F. Resale Assistance of Franchised Business

Franchisee may, at any time, request our assistance in locating a buyer for its Taproom. We may, at our option, provide such assistance in accordance with the policies and procedures as set forth in the Operations Manual. We reserve the right to charge Franchisee a fee to cover our reasonable costs and expenses (including the time committed by our employees) incurred in providing such assistance. If we elect to assist Franchisee in finding a buyer for the Taproom in any way, we make no promises or commitments to Franchisee that a buyer will be located or that anyone will be willing to purchase the Taproom at a price acceptable to Franchisee. We reserve the right to reject any proposed sale based on our determination, in our sole discretion, that the purchase price or purchase terms agreed to between Franchisee and any prospective buyer is excessive or will not enable the buyer to succeed as a franchisee in the System, and by requesting our assistance Franchisee waives any liability claims it may have against us for such rejection.

XXIII. TERMINATION OF FRANCHISE

A. Impact of Statutes Upon Franchise Agreement

Some state laws provide certain rights to franchisees located in a particular state, including: (1) limitations on our ability to terminate a franchise except for good cause; (2) restrictions on our ability to deny renewal of a franchise; (3) circumstances under which we may be required to purchase certain inventory when a franchise is terminated or not renewed in violation of the statute; and (4) provisions relating to arbitration. To the extent that the provisions of this Franchise Agreement are inconsistent with the terms of such state laws, the terms of the applicable state laws may control in those states.

Termination or modification of a lease or contract upon the bankruptcy of one of the parties may be unenforceable under the Bankruptcy Act of 1978, Title II, U.S. Code, as amended.

B. Termination by Franchisor with Right to Cure

Except as otherwise provided in this Agreement, upon any material default by Franchisee under this Agreement or any other agreement between Franchisee and us or our affiliates, we may terminate this Agreement only by giving written notice of termination stating the nature of such default to Franchisee at least thirty (30) days prior to the effective date of termination; provided, however, that Franchisee may avoid termination by immediately initiating a remedy to cure such default, curing it to our satisfaction, and by promptly providing proof thereof to us within the thirty (30) day period. If the

Franchisee does not cure all such defaults within the specified time, or such longer period as applicable law may require, this Agreement shall terminate without further notice to Franchisee effective immediately upon the expiration of the thirty (30) day period or such longer period as applicable law may require. We may terminate this Agreement by written notice to Franchisee for Franchisee's material breach of this Agreement or of any other agreement between Franchisee and us or our affiliates, if Franchisee fails to cure the breach within thirty (30) days after written notice is delivered to Franchisee, provided that this Agreement does not prescribe a different cure period for such breach. Any breach relating to any violation of health or safety laws must be cured within seventy-two (72) hours of notice or such shorter period prescribed by law. Any default for failure to pay monetary amounts must be cured within five (5) days or shorter period as is provided by law.

We may invoke our rights under this Section XXIII.B if, among other things, Franchisee fails to pay any required sums contemplated by this Agreement or any other agreement between Franchisee and us (and/or our respective affiliates).

C. Termination of Franchise Without Right to Cure

Notwithstanding the foregoing, Franchisee shall be deemed to be in breach and we, at our option, may terminate this Agreement and all rights granted under it without affording Franchisee any opportunity to cure the breach, effective immediately upon us notifying Franchisee in writing of such breach, if Franchisee or any of its Owners does any of the following:

1. Fails to agree on a Territory (if not operating a Non-Traditional Location and if a Territory was not agreed upon before signing this Agreement), fails to secure a lease and/or fails to open the Taproom within the time limits as provided in Section IX.A above;

2. Fails to attend and satisfactorily complete the initial training program within sixty (60) days of the date Franchisee anticipates opening the Taproom;

3. Attends the initial franchise training program and we determine, in our sole discretion, that the Franchisee, its Owners or General Manager has failed the initial training program and does not appoint another General Manager to attend; or another General Manager appointed by Franchisee fails the initial training program and/or is deemed not qualified to manage a Hoppin'™ Taproom;

4. Abandons, surrenders, or transfers control of the operation of the Taproom to a third-party other than another Owner or General Manager or fails to continuously and actively operate the Taproom for five (5) consecutive days, unless precluded from doing so by damage to the premises of the Franchise Business due to war, act of God, civil disturbance, natural disaster, labor dispute or other events beyond Franchisee's reasonable control;

5. Fails or refuses, on more than three (3) occasions during the term of this Agreement, to submit when due any financial statement, tax return or schedule or to pay when due Royalty Fees, or any other payments due to us or our affiliates;

6. Operates the Taproom in a manner that presents a safety, health or environmental hazard to guests and/or violates any federal, state, or local law, rule, regulation or ordinance; fails a quality control inspection performed by us twice within any two (2) year period; or fails maintain (at any given time) an above average rating or score for all health department inspections;

7. Fails to use its best efforts when hiring employees including taking every action required by applicable laws related to criminal background checks (if Franchisee chooses to do such background checks or in the future we require background checks) for all prospective employees as described in Section XII.F and XX.E;

8. Is unable to provide Products and/or Services associated with the System, or if any business or professional license, credential or certification required by law is suspended or revoked, or otherwise not maintained continuously and actively in full force and effect, and in good standing;

9. Fails, for a period of fifteen (15) days (or such lesser period as required by applicable law) after notification of violation or non-compliance by us or any appropriate authority, to comply with any federal, state or local law, ordinance or regulation applicable to the operation of a Hoppin'™ Taproom;

10. Violates any environmental, health, safety or sanitation law, ordinance or regulation, or operates the Taproom (including operating any vehicles) in an unsafe manner; and does not begin to cure the violation immediately and to correct the violation within 72 hours after Franchisee receives notice from us or another party unless shorter period for cure provided pursuant to Section XXII.B;

11. Makes a material misrepresentation or omission on the application for the Franchise;

12. Transfers, assigns or sub-franchises this Agreement without having our prior written consent, as set forth herein;

13. Discloses or divulges, to any unauthorized person, the contents of the Operations Manual, training materials or any other Confidential Information provided to Franchisee by us;

14. Fails to comply with modifications to System standards as required by us within a ninety (90) day period from the time of written notice by us;

15. Offers and sells Products and/or Services through any alternative channel of distribution without our permission; or engages in any activity, which has a material adverse effect on us or the Names and Marks;

16. Makes any changes to any Products, Proprietary Products, piece of equipment or any third-party products (such as changing containers, packaging, labeling, etc.) as described in Section XII.I of this Agreement;

17. Makes or allows any unauthorized use or copy of our Confidential Information, Proprietary Products and/or Software (if developed) or seeks to challenge our ownership rights in the System, including our Confidential Information, Proprietary Products and/or Software;

18. Engages in any activity to translate, reverse engineer, reverse compile, disassemble or create derivative works based on our Confidential Information, Proprietary Products and/or Software (if developed);

19. Manufactures or produces any product or piece of equipment that is similar to, or competes with any of our Products, Proprietary Products, third party products or equipment offered or used in the Taproom without our advanced written consent;

20. Engages in activity to distribute, act as an exclusive distributor or secure exclusive rights to distribute any products, Proprietary Products, third party products or equipment without our written consent;

21. Engages in activity to sublicense, rent, lease, sell, distribute or otherwise transfer our Confidential Information and/or Software or any portion thereof, or any rights therein, to any person or entity;

22. Exhibits a reckless disregard for the physical or mental well-being of employees, guests, us or our representatives, or the public at large, including battery, assault, sexual harassment or discrimination, racial harassment or discrimination, alcohol or drug abuse or other forms of threatening, outrageous or unacceptable behavior as determined in our sole and absolute discretion;

23. Fails to procure and maintain all required insurance coverage (including any lapses, alterations, or cancellations to the insurance policies) as defined in Section XIII of this Agreement;

24. Fails or refuses to: (i) cease using and/or remove any product, supply, equipment or other items from the Taproom deemed to constitute a violation of this Agreement by us; (ii) maintain all equipment and technology items (clean, service and repair) as specified by us; (iii) remove or replace its technology items as specified by us; (iv) use, sell, offer, change, modify or discontinue any Product, Service or Rewards Program as specified by us; (v) prepare all Products in accordance with our standards, recipes, techniques, processes and presentation standards; and/or (vi) adhere to serving guests according to our standards as described in Sections XII.H and XII.I of this Agreement;

25. Fails or refuses to: (i) adhere to our specifications, standards and operating procedures; and (ii) purchase or use the products, Proprietary Products, supplies, equipment and services as specified by us as described in Sections XII.H and XII.I of this Agreement;

26. Fails or refuses to comply with our inventory requirements or Minimum Representation requirements (if applicable) as set forth in the Operations Manual;

27. Fails to comply with the terms of any auto-ship programs as set forth in the Operations Manual (currently not in effect);

28. Engages in Target Marketing to solicit and obtain business by any type of advertising or marketing outside Franchisee's assigned Territory or the parameters of its Non-Traditional Location; or fails or refuses to refer persons, businesses and/or Services to other franchisees or company-owned businesses (as described in Section VI);

29. Uses the Names and Marks or any part thereof in any form on the Internet, including but not limited to, addresses, domain names, URLs, Websites, links, metatags, locators, search techniques and co-branding arrangements without our prior written consent;

30. Is convicted of a felony or has pleaded nolo contendere to a felony, is arrested or convicted on charges relating in any way to the possession or use of illegal drugs, controlled substances or steroids or is charged and convicted of a crime of moral turpitude;

31. Engages in unfair business practices or unethical conduct;

32. Fails to discharge within a reasonable time, any valid lien placed against the property of the Franchise Business;

33. Makes an assignment for the benefit of creditors or an admission of the Franchisee's inability to pay its obligations as they become due;

34. Files a voluntary petition in bankruptcy or any pleading seeking any reorganization, arrangement, disposition, adjustment, liquidation, dissolution or similar release under any law, or admitting or failing to contest the material allegations of any such pleading filed against Franchise, or is adjudicated bankrupt or insolvent, or a receiver is appointed for a substantial part of the assets of the Franchisee or the Taproom, or the claims of creditors of Franchisee or the Taproom are abated or subject to a moratorium under any laws;

35. If a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's Taproom or assets is filed and consented to by Franchisee;

36. If a receiver or other custodian (permanent or temporary) of the Taproom, Franchisee, or Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction or by private instrument or otherwise;

37. If proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee.

38. If a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless a supersedeas bond is filed); or if Franchisee is dissolved or extinguished;

39. If execution is levied against Franchisee's Taproom or property or against any ownership interest in Franchisee;

40. If any real or personal property of Franchisee's Taproom shall be sold after levy by any sheriff, marshal, or constable;

41. If, in material violation of the terms of Sections XII, XVI, XX and/or XXII;

42. If Franchisee maintains false books or records, or submits any false reports to us;

43. If any inspection of Franchisee's records discloses an under-statement of payments due to us of two percent (2%) or more, two or more times in any two (2) year period;

44. If Franchisee's Taproom has three (3) or more material complaints reported to a governmental entity (material complaints are determined in our sole and absolute discretion) with respect to the Taproom in any twelve (12) month period.

D. Termination by Franchisee

If we violate a material and substantial provision of the Agreement and we fail to initiate a remedy to cure the violation within thirty (30) days after receiving written notice from Franchisee detailing our alleged default, Franchisee may terminate this Agreement if so permitted under applicable law. Any attempted termination of this Agreement and the Franchise by Franchisee, without complying with the foregoing requirements, or for any reason other than breach of material and substantial provision

of this Agreement by us and our failure to cure such breach within thirty (30) days after receipt of written notice thereof, shall not be permitted.

E. General Effect of Termination

On termination or expiration, all of Franchisee's post-termination obligations, including covenant not to compete, non-disclosure, return of the Operations Manual and other proprietary materials, and indemnity, will remain in full force and effect. If this Agreement terminates for any reason prior to its expiration date, we will be entitled to our royalties and other fees for either the remainder of the term of this Agreement or two (2) years (whichever comes first) and to all other applicable remedies (as described in Section XXIV.H).

F. Territory Alteration as an Alternative to Termination

If Franchisee is in default of the Franchise Agreement, as an alternative to termination, we may modify or completely eliminate any rights that Franchisee may have with respect to the protected status of the Territory, effective ten (10) days after delivery of written notice to Franchisee. In addition, we may modify or completely eliminate Franchisee's Territory.

XXIV. FRANCHISEE'S OBLIGATIONS UPON TERMINATION OR EXPIRATION

A. Franchisee Shall Cease Using Names and Marks

Franchisee further agrees that, upon termination or expiration of this Agreement, Franchisee shall immediately and permanently cease to use, by advertising, or any manner whatsoever, any Confidential Information, methods, trade secrets, procedures, descriptions of Products and Services associated with us and the Names and Marks and any proprietary marks and distinctive forms, slogans, symbols, signage, logos or devices associated with the System. In particular, Franchisee shall cease to use, without limitation, all menu boards and signage (this includes signage on vehicles), advertising materials, stationery, forms and any other articles, which display the Names and Marks. Franchisee shall make or cause to be made, at its expense, changes directed by us in menu boards, signage, vehicles, building and structures so as to effectively distinguish the surviving business entity, if any, from its former appearance as a Hoppin'™ taproom, and from other existing Hoppin'™ taprooms. Franchisee shall comply with the covenant not to compete and the agreement to maintain the confidentiality of proprietary information, as well as return all information that is considered to be Confidential Information under the terms and conditions of this Agreement back to us.

B. Franchisee Shall Cease Operating the Taproom & Refrain from Notifying Guests

Franchisee shall immediately cease to operate Hoppin'™ Taproom and shall not thereafter, directly or indirectly, represent itself to the public or hold itself out as a present or former franchisee of ours.

In addition, Franchisee shall not give notice of termination or expiration of this Agreement to Franchisee's guests, persons and/or businesses who have received Services from Franchisee without our prior written consent. We shall have the sole right to notify all of Franchisee's guests persons and/or businesses who have received Services of its Taproom of the termination or expiration of this Agreement at the time and manner we determine to be most appropriate. All existing guest, person or business list of the Franchisee shall be our property. Franchisee shall assist us in transferring such lists to us upon termination or expiration of this Agreement at such times and in the manner we require.

Franchisee must immediately tender all new or used inventory of our Proprietary Products, décor, menu boards, signage, uniforms, apparel, promotional, advertising, marketing materials and/or anything that displays our Marks in addition to all Confidential Information to us and/or our designated

affiliates or destroy, if notified by us in writing to do so, all inventory of such items in a timely manner as in accordance with the terms of the Operations Manual and as specified in Section XXIV.G of this Agreement.

C. Franchisee May Not Adopt Confusingly Similar Names and Marks

Franchisee agrees, in the event it continues to operate or subsequently begins to operate any other business, not to use any reproduction, counterfeit, copy or colorable imitation of the Names and Marks, either in connection with such other business or in the promotion thereof, which is likely to cause confusion, mistake or deception, or which is likely to dilute our exclusive rights in and to the Names and Marks, and further agrees not to utilize any designation of origin or description or representation which falsely suggests or represents an association or connection with us or a former association or connection with us.

D. Franchisee Shall Cancel Assumed Names and Transfer Phone Numbers

Franchisee further agrees that upon termination or expiration of this Agreement, Franchisee shall take all action necessary to cancel all assumed names or equivalent registrations relating to its use of any or all of the Names and Marks. Franchisee shall take all actions necessary to transfer all phone numbers, addresses, domain names, listings and location contacts for the Taproom and/or used in the Taproom to us or our designee, including but not limited to authorizing all telephone, Internet, email, electronic network, directory and listing entities to effectuate the same.

E. Franchisee Shall Transfer or Terminate Domain Name and Websites

Upon termination or expiration of this Agreement, Franchisee agrees that, we will have the absolute right to notify InterNIC, ICANN and all other Internet authorities of the termination or expiration of Franchisee's right to use all domain names, web page, Websites and other search engines for the Taproom and to authorize the above and other search engines to transfer to us or our designee all domain names, Websites and search engines associated with the Taproom. Franchisee acknowledges and agrees that we have the absolute right to, and interest in, all domain names, web pages, Websites and search engines related to the Taproom and that we have the full right and authority to direct the above Internet authorities and all search engines to transfer Franchisee's domain names, web pages, Websites and search engines to us or our designee if this Agreement expires or is terminated for any reason. Franchisee further acknowledges that this Agreement will constitute a release by Franchisee of the above Internet authorities from any and all claims, liabilities, actions and damages that Franchisee may, at any time, have the right to allege against them in connection with this provision.

F. Franchisee Must Return Operations Manuals and Other Materials

Franchisee further agrees that upon termination or expiration of this Agreement, it will immediately return to us all copies of the Operation Manual, training materials and any other materials, which have been loaned to Franchisee by us. Franchisee further agrees to turn over to us all items containing any of the Marks, including all vendor and guest lists and contracts for the Franchised Business.

G. Franchisor May Purchase Assets

We shall have the right of first refusal to purchase or assume Franchisee's interest in the Franchised Business, or in its assets on the same terms as those contained in a bona fide offer from a third party. As used in this Section, "Assets" means leasehold improvements, all equipment, furnishings, fixtures and technology items (as described in Section XII.I), menu boards, signage, products, inventory (such as non-perishable products, ingredients, supplies, merchandise in addition to all advertising and marketing materials), vehicles (if applicable) and the lease or sublease for the Taproom. This right is

governed by time limits and procedures described in this Agreement with respect to our right of first refusal in the event of an assignment. If we exercise our right of first refusal, Franchisee must transfer Franchisee's interest in the Franchised Business and in the Assets.

If Franchisee is selling its Assets, we shall have the right (but not the duty), to be exercised by notice of intent to do so within thirty (30) days after termination or expiration, to purchase any or all Assets and items bearing our Names and Marks, at fair market value (less the amount of any outstanding liens or encumbrances). In the event that we and Franchisee cannot agree on fair market value, then the fair market value shall be determined in good faith by an independent third-party appraisal. We and Franchisee shall mutually agree upon an appraiser. If we and Franchisee cannot agree on one appraiser, then we and the Franchisee shall each select one independent, qualified appraiser and the two shall select a third appraiser and all three shall determine the fair market value of the Assets we have elected to purchase. If the difference between the appraisal of the Franchisee's appraiser is greater than the difference between the appraisal of our appraiser and the independent appraiser, the Franchisee shall pay all costs and expenses of the three appraisers. Otherwise all expenses of the third appraiser shall be equally shared by us and we and the Franchisee shall each be responsible for the expenses incurred by their respective appraisers. For any items that display the Marks (for example any décor, signage, marketing, advertising and/or promotional materials) and for any of our Proprietary Products (regardless of whether they display our Marks and when the item was purchased), the fair market value is agreed to be zero, except for any vehicles (if applicable). We and Franchisee agree that the terms and conditions of our right and option to purchase the Assets which may be recorded, if deemed appropriate by us. If we elect to exercise any option to purchase the Assets as herein provided, we shall have the right to set off any amounts due from Franchisee.

Except as otherwise provided in this Agreement, Franchisee shall retain whatever interest it may have in the Assets of the Franchised Business.

H. Franchisee Must Pay Monies Owed to Franchisor; Liquidated Damages

Franchisee shall pay to us or our affiliates, within thirty (30) days after the effective date of termination or expiration of this Agreement, such Royalty Fees, System Advertising Fees, other advertising fees, payments or any other sums owed to us or our affiliates by Franchisee, which are then unpaid. Franchisee shall pay to us or our affiliates all damages, costs, and expenses, including reasonable attorney's fees, incurred by us in obtaining injunctive or other relief for the enforcement of any provisions of Sections XIX and XXIV.

In the event of termination of this Agreement prior to its expiration date, Franchisee acknowledges that the parties have considered the following in determining the amount of liquidated damages ("Damages"): (i) that the amount of Damages is reasonable under the circumstances existing at the time this Agreement is made; (ii) that the amount of Damages bears a rational relationship to the damages the parties anticipate would flow from the breach of this Agreement; (iii) the agreement to the amount of the Damages is necessary because actual damages are difficult or impossible to prove; and (iv) the amount of the Damages are not so large that they act as a penalty. Franchisee accordingly agrees that in such event it shall be obligated to pay to us, the amount of the Damages which is the total of all Royalty Fees and System Advertising Fee payments that we would have received, if this Agreement remained in effect until its scheduled expiration date, subject to the following. This amount of Damage shall be calculated by adding together the average monthly Royalty Fee payments and the average System Advertising Fee payments that were paid to us during the previous twelve (12) months for either the remaining term of this Agreement or two (2) years (whichever comes first). If the Franchisee has not made twelve (12) months of payments, then the number of payments it has made will be used to calculate the average of Royalty Fee and System Advertising Fee payments. Such payments shall be due to us within thirty (30) days after the effective Date of Termination or expiration.

XXV. PROVISIONS RELATING TO ENFORCEMENT

A. Franchisee May Not Withhold Payments Due Franchisor

Franchisee agrees that he or she will not withhold payments of any Royalty Fees, System Advertising Fees or any other amounts of money owed to us for any reason, on grounds of alleged nonperformance by us of any obligation. All such claims by Franchisee shall, if not otherwise resolved by us and Franchisee, be submitted to mediation and/or arbitration as provided in this Agreement. The Franchisee has no right of offset, or set off to any amounts due and owing to us.

B. Severability

All provisions of this Agreement are severable, and this Agreement shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and any partially valid and enforceable provisions shall be enforced to the extent valid and enforceable. If any applicable law or rule requires a greater prior notice of the termination of this Agreement than is required hereunder, or requires the taking of some other action not required hereunder, the prior notice or other action required by such law or rule shall be substituted for the notice or other requirements.

C. Mediation

The parties agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction before resorting to arbitration as set forth in Section XXV.D. Any party to this Agreement may initiate mediation by serving a written demand on the other party stating the particulars of the demand being served. Mediation fees shall be divided equally among the parties involved. Before any mediation commences, the parties will agree to a date and/or certain event which will constitute a completion of the mediation process. All mediations shall be held in Mecklenburg County, North Carolina. If, for any dispute or claim to which this paragraph applies, any party commences an action without first attempting to resolve the matter through mediation or refuses to mediate after a request has been made, then the other party ("Mediating Party") shall be entitled to recover attorney's fees and costs, even if such Mediating Party was not otherwise entitled to recover its attorney fees and cost in any arbitration or legal action between the parties pursuant to the terms of this Agreement. This mediation provision applies whether or not the arbitration provision is initiated. It shall be held at the same venue as for arbitration as described in Section XXV.D.

D. Arbitration

Except as we elect to enforce this Agreement by judicial process, injunction, or specific performance (as provided below), all disputes and claims relating to any provision hereof, any specification, standard or operating procedure, or any other obligation of Franchisee prescribed by us, or any obligation of us, or the breach thereof (including, without limitation, any specification, standard or operating procedure or any other obligation of Franchisee or us, which is illegal or otherwise unenforceable or voidable under any law, ordinance, or ruling) shall be settled by mandatory binding arbitration in Mecklenburg County, North Carolina. Arbitration must be in accordance with the then current Commercial Rules of the American Arbitration Association ("AAA") and, where applicable, the provision of the Federal Arbitration Act, i.e. 9 USC §1, et al; and provided that at our option or the Franchisee that the arbitrator shall be selected from a list of retired federal or state judges supplied by the American Arbitration Association which could include an attorney with twenty (20) years or more franchise experience. The actual selection of the arbitrator from the list will be in accordance with the procedures for selecting an arbitrator under the Commercial Rules of the AAA. The parties agree that, in connection with any such arbitration proceeding, each will submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 1-3 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. The parties further agree that arbitration will be conducted on an individual and not a class-wide or multiple plaintiff basis.

The party having an arbitrable claim will have one (1) year from the date of discovery but not to exceed two (2) years from the date the claim occurred, in which to settle the claim or to commence arbitration on the claim. Otherwise the claim or demand will be deemed abandoned and shall be barred. The arbitrator shall allow discovery in accordance with the North Carolina Rules of Civil Procedure and may apply the sanctions relating to noncompliance with discovery orders therein provided. The arbitrator shall issue a written opinion explaining the reasons for his or her decision and award and the arbitrator shall have the right to award or include in the award the specific performance of this Agreement. Unless specifically provided for by applicable statute, no punitive or exemplary damages shall be awarded against either us or Franchisee, or entities related to them, in an arbitration proceeding or otherwise, and are hereby waived. Judgment upon the award of the arbitrator will be entered in any court having competent jurisdiction thereof or of us or of Franchisee. During the pendency of any arbitration proceeding hereunder, Franchisee and we shall fully perform their respective obligations pursuant to the terms and conditions of this Agreement. Arbitration fees shall be shared equally and the prevailing party shall be entitled to their attorney fees, provided should there be no prevailing party each party shall pay their own attorney fees.

This arbitration provision shall not apply to any of the following disputes or controversies: any action for injunctive or other provisional relief including but not limited to enforcement of liens, security agreements, or attachment, as we deem to be necessary or appropriate to compel Franchisee to comply with Franchisee's obligations to us and/or to protect the Names and Marks or any claim or dispute involving or contesting the validity of any of the Names and Marks, or any claim or dispute involving any of the Confidential Information, trade secrets, or copyrights provided by us to the Franchisee under this Agreement.

E. Rights of Parties Are Cumulative

The rights of us and Franchisee are cumulative, and the exercise or enforcement by us or Franchisee of any right or remedy shall not preclude the exercise or enforcement by us or Franchisee of any other right or remedy hereunder which we or Franchisee are entitled by law to enforce by the provisions of this Agreement or of the Operations Manual.

F. Judicial Enforcement, Injunction and Specific Performance

Notwithstanding anything to the contrary contained in Section XXV.D above relating to arbitration, we shall have the right to enforce by judicial process our right to terminate this Agreement for the causes enumerated in Section XXIII of this Agreement, to collect any amounts owed to us for any unpaid Royalty Fees, or other unpaid fees or charges due hereunder, arising out of the business conducted by Franchisee pursuant hereto, and to pursue any rights we may have under any leases, subleases, sales, purchases, or security agreements or other agreements with Franchisee. We shall be entitled, without bond, to the entry of temporary or permanent injunctions and orders of specific performance enforcing any of the provisions of this Agreement. If we secure relief by judicial enforcement, Franchisee agrees to pay to us an amount equal to the aggregate costs of obtaining such relief, including, without limitation, reasonable attorneys' fees, costs of investigation, court costs, and other litigation expenses, travel, accommodations, food, other expenses and any damages incurred by us as a result of the Franchisee's breach of any provision of this Agreement.

G. North Carolina Law Applies

Except to the extent governed by the U.S. Trademark Act of 1946 (Lanham Act, 15 U.S.C., Section 1051 et. seq.) or the U.S. Arbitration Act, this Agreement shall be governed by the laws of the State of North Carolina, and venue for arbitration or litigation shall lie in Mecklenburg County, North Carolina, or in the applicable United States District Court.

H. Attorney Fees

In the event that either party incurs any expenses (including but not limited to reasonable attorneys' fees and reasonable expert witness fees) in enforcing the provisions of this Agreement by arbitration or legal action, the prevailing party shall be entitled to recover such expenses directly from the other.

I. Binding Effect

This Agreement is binding upon the Parties hereto and their respective permitted assigns and successors in interest.

J. Entire Agreement/Integration/No other Agreements/Manual(s) May Change

This Agreement and the exhibits to this Agreement constitute the final, complete and exclusive agreement of the Parties with respect to the subject matter hereof and supersedes and merges all prior discussions between the Parties. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the Franchise Disclosure Document that we furnished to Franchisee. No amendment to this Agreement shall be binding on either party unless mutually agreed to by the parties in writing. The Operations Manual may be amended at any time by us, and Franchisee shall adapt its methods or procedures to comply with the requirements thereof.

K. Force Majeure

Except for monetary obligations or as otherwise specifically provided in this Franchise Agreement, if either party to this Agreement shall be delayed or hindered in or prevented from the performance of any act required under this Agreement by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, or other causes beyond the reasonable control of the party required to perform such work or act under the terms of this Agreement through no fault of such party, then performance of such act shall be excused for the period of the delay, but in no event to exceed ninety (90) days from the stated time periods as set forth in this Franchise Agreement.

XXVI. NOTICES

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

XXVII. COUNTERPARTS

This Agreement and any amendments or supplements hereto may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all of which counterparts together shall constitute but one and the same instrument. This Agreement shall become effective upon the execution of a counterpart hereof by both of the Parties hereto.

XXVIII. TIME IS OF THE ESSENCE

Time is of the essence. The parties to this Agreement hereby agree that time is of the essence with respect to each of their respective duties and obligations under this Agreement.

XXIX. APPROVALS AND WAIVERS

Whenever this Agreement requires the prior approval or consent of ours, Franchisee shall make a timely written request to us therefore, and such approval or consent shall be obtained in writing.

We make no warranties or guarantees upon which Franchisee may rely, and assumes no liability or obligation to Franchisee, by providing any waiver, approval, consent, or suggestion to Franchisee or in connection with any consent, or by reason of any neglect, delay, or denial of any request thereof.

No failure of us to exercise any power reserved to us by this Agreement or to insist upon strict compliance by Franchisee with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of our right to demand exact compliance with any of the terms herein. Waiver by us of any particular default or breach by Franchisee shall not affect or impair our rights with respect to any later default or breach of the same, similar or different nature, nor shall any delay, forbearance, or omission, breach or default by us to exercise any power or right arising out of any breach or default by Franchisee of any of the terms, provisions, or covenants hereof, affect or impair our right to exercise the same, nor shall such constitute a waiver by us of any preceding breach by Franchisee of any terms, covenants or conditions of this Agreement.

XXX. AUTHORITY

Franchisee or, if Franchisee is a corporation, limited liability company or partnership, the individuals executing this Agreement on behalf of such corporation, limited liability company or partnership, warrant to us, both individually and in their capacities as Owners, partners, members, shareholders, directors and officers, that all of them as the case may be, have read and approved this Agreement, including the restrictions which this Agreement places upon their right to transfer their respective interests in such entity as set forth in Section XXII.

XXXI. FURTHER REPRESENTATIONS AND WARRANTIES BY THE FRANCHISEE

Franchisee acknowledges and warrants that it has received a complete and final copy of this Agreement, our Disclosure Document and applicable exhibits, in a timely fashion as required; and that before signing this Agreement, Franchisee was given ample opportunity to review and examine our Disclosure Document and was furnished with copies of the documents. **NO ORAL, WRITTEN OR VISUAL CLAIM OR STATEMENT THAT CONTRADICTS THE DISCLOSURE DOCUMENT WAS MADE.**

FRANCHISEE ACKNOWLEDGES THAT FRANCHISEE AND ALL OF ITS OWNERS HAVE BEEN ADVISED TO HAVE THIS AGREEMENT AND ALL OTHER DOCUMENTS REVIEWED BY AN ATTORNEY AND THAT FRANCHISEE AND ITS OWNERS HAVE READ, UNDERSTOOD, HAD AN OPPORTUNITY TO DISCUSS AND AGREED TO EACH PROVISION OF THIS AGREEMENT. THE FRANCHISEE AND ITS OWNERS AGREE THAT THERE HAS BEEN NO PRESSURE OR COMPULSION BY FRANCHISOR OR ITS AGENTS TO SIGN THIS AGREEMENT.

FRANCHISEE ACKNOWLEDGES AND AGREES THAT THE SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED TO BE UNDERTAKEN BY FRANCHISEE AND ITS OWNERS IS SPECULATIVE AND WILL BE DEPENDENT ON PERSONAL EFFORTS AND SUCCESS IS NOT GUARANTEED. FRANCHISEE AND ITS OWNERS ACKNOWLEDGE AND REPRESENT THAT IT HAS ENTERED INTO THIS AGREEMENT AND MADE AN INVESTMENT ONLY AFTER MAKING AN INDEPENDENT INVESTIGATION OF THE OPPORTUNITY, INCLUDING HAVING RECEIVED A LIST WITH THE FRANCHISE DISCLOSURE DOCUMENT OF OTHER CURRENTLY AND PREVIOUSLY OPERATED HOPPIN'™ FRANCHISES.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Hoppin Franchising Group, LLC Franchise Agreement in duplicate on this date_____20____.

FRANCHISOR:

Address for Notices:
Hoppin Franchising Group, LLC
1402 Winnifred Street
Charlotte, NC 28203
Telephone: (704) 310-1535
Attn: Richard Moyer

Hoppin Franchising Group, LLC

Signed: _____
Name: _____
Title: _____
Dated: _____

Address for Notices:

_____
_____
Telephone:_____
Fax:_____
Attn:_____

Signed: _____
Name: _____
Date: _____

Signed: _____
Name: _____
Date: _____

Signed: _____
Name: _____
Dated: _____

SCHEDULE 1
HOPPIN FRANCHISING GROUP, LLC
AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS
(DIRECT DEPOSIT)

BY AND BETWEEN HOPPIN FRANCHISING GROUP, LLC AND_____ ("FRANCHISEE") DATED _____20___.

The undersigned depositor ("DEPOSITOR") hereby authorizes Hoppin Franchising Group, LLC ("COMPANY") 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") to debit such account pursuant to COMPANY'S instructions.

_____	_____
DEPOSITORY	Branch
_____	_____
Address	City, State and Zip Code
_____	_____
Bank Transit/ABA Number	Account Number

This authority is to remain in full force and effect until DEPOSITORY has received joint written notification from COMPANY and DEPOSITOR of the DEPOSITOR'S termination of such authority in such time and in such manner as to afford DEPOSITORY a reasonable opportunity on which to act. If an erroneous debit entry is initiated to DEPOSITOR'S account, DEPOSITOR shall have the right to have the amount of such entry credited to such account by DEPOSITORY, if (a) within 15 calendar days following the date on which DEPOSITORY sent to DEPOSITOR a statement of account or a written notice pertaining to such entry or (b) 45 days after posting, whichever occurs first, DEPOSITOR shall have sent to DEPOSITORY a written notice identifying such entry, stating that such entry was in error and requesting DEPOSITORY to credit the amount thereof to such account. These rights are in addition to any rights DEPOSITOR may have under federal and state banking laws.

_____	_____
DEPOSITOR	DEPOSITORY
By: _____	By: _____
Title: _____	Title: _____
Date: _____	Date:_____

SCHEDULE 2
HOPPIN FRANCHISING GROUP, LLC
PRE EXISTING BUSINESSES

As a condition precedent to the effectiveness of the Franchise Agreement and in consideration of the terms and conditions of the Franchise Agreement, Franchisee represents and warrants to Franchisor as follows:

1. Individually and as an entity owned by [Franchisee and or affiliates of Franchisee] currently operate a business known as _____ ("Pre-Existing Business").

2. Any and all existing franchise agreements, stockholder agreements, partnership agreements, option agreements or any other third-party rights relating to the Pre-Existing Business, do not contain any covenants, terms and conditions which do now, or may in the future, prohibit the execution of the Franchise Agreement and the participation of any of the Owners, managers or employees of the Franchisee in the Franchised Business; and

3. Other than the consents of Franchisee and Franchisor there is no other third-party consent required for the acquisition of the franchise to be legally binding and effective; and

4. There are no existing restrictive covenants, other than those which the Pre-Existing Business has waived, binding on Franchisee or any of its partners, owners, agents representatives or employees that would be breached by the acquisition and operation of the Franchised Business obligations of Franchisee to Franchisor, and

5. The Pre-Existing Business provides the following goods and services to its guests at the following locations:

5.1 Goods and services of Pre-Existing Business(s)

_____
_____
_____

5.2 Location(s) of Pre-Existing Goods Business(s)

_____
_____
_____

and from the date hereof will continue to operate as [an independent organization] and shall not carry out any other businesses directly or indirectly competing with the Franchised Business, and

6. Franchisee shall convert the entire Pre-Existing Business into the Franchised Business and shall hence forth operate that business as Franchised Business under the trade name "Hoppin'™," and

7. Franchisee agrees that any business currently operated or to be operated by any affiliate of Franchisee outside of the Franchised Business which later becomes a part of the Franchised Business shall be folded into the Franchised Business after notice and approval by us, and

8. Franchisee shall indemnify, defend and hold harmless us and our affiliates, against all losses, costs, proceedings, judgments, liabilities, expenses, court costs, and reasonable fees of attorneys and other professionals, arising out of or resulting from any breach of the representations and warranties set out in this Exhibit or in connection with any willful or negligent act or omission of Franchisee or Franchisee's employees or agents, including but not limited to such act or omission that contributes to any economic damage, bodily injury, sickness, disease or death. This indemnity shall survive termination of the Franchise Agreement.

FRANCHISEE

Signed:_____

Printed Name:_____

Title:_____

Date:_____

SCHEDULE 3
HOPPIN FRANCHISING GROUP, LLC
EXECUTIVE ORDER 13224 AND RELATED CERTIFICATIONS

If the Franchisee is an individual or individuals, the Franchisee certifies that he/she/they are not, nor to my/our best knowledge have I/us been designated, a terrorist and/or a suspected terrorist, nor am I/us associated and/or affiliated in any way with any terrorist and/or suspected terrorist person and/or organization, as defined in U.S. Executive Order 13224 and/or otherwise.

If the Franchisee is a company, the person(s) signing on behalf of the Franchisee certify(ies) that, to the Franchisee's and such person's best knowledge, neither the Franchisee, such person, and/or any owners, officers, board members, similar individuals and/or affiliates/associates of the Franchisee have been designated, a terrorist and/or a suspected terrorist, nor is the Franchisee or any such persons and/or affiliates/associates owned, controlled, associated and/or *affiliated* in any way with any terrorist and/or a suspected terrorist person and/or organization, as defined in U.S. Executive Order 13224 and/or otherwise.

Franchisee agrees to fully comply and/or assist Franchisor in its compliance efforts, as applicable, with any and all laws, regulations, Executive Orders or otherwise relating to antiterrorist activities, including without limitation the U.S. Patriot Act, Executive Order 13224, and related U.S. Treasury and/or other regulations, including properly performing any currency reporting and other obligations, whether relating to the Franchise or otherwise, and/or required under applicable law. The indemnification responsibilities provided in the Franchise Agreement cover the Franchisee's obligations hereunder.

FRANCHISEE

Signed:_____

Printed Name:_____

Title:_____

Date:_____

SCHEDULE 4
HOPPIN FRANCHISING GROUP, LLC
ADA & RELATED CERTIFICATIONS

Hoppin Franchising Group, LLC ("Franchisor/we/us/our") and _____ ("Franchisee") are parties to a franchise agreement dated, _____20____ (the "Franchise Agreement") for the operation of a Hoppin'™ Taproom (the "Taproom").

In accordance with Section XII.C of the Franchise Agreement, Franchisee certifies to us that the Taproom and its adjacent areas comply with all applicable federal, state and local accessibility laws, statutes, codes, rules, regulations and standards, including but not limited to the Americans with Disabilities Act and all local zoning regulations and building codes. Franchisee acknowledges that it is an independent contractor and the requirement of this certification by us does not constitute ownership, control, leasing or operation of the Taproom. Franchisee acknowledges that we have relied on the information contained in this certification. Furthermore, Franchisee agrees to indemnify us, our members, managers, officers, employees and agents, and each and all of the Franchisor-Related Entities, in connection with any and all claims, losses, costs, expenses, liabilities, compliance costs, and damages incurred by the indemnified party (ies) as a result of any matters associated with Franchisee's compliance (or failure to comply) with the Americans with Disabilities Act, all local zoning regulations and building codes and otherwise, as well as the costs, including attorneys' fees, related to the same.

FRANCHISEE

Signed:_____

Printed Name:_____

Title:_____

Date:_____

SCHEDULE 5
HOPPIN FRANCHISING GROUP, LLC
FRANCHISE AGREEMENT: INDIVIDUAL GUARANTY
(USE FOR CORPORATE, PARTNERSHIP OR OTHER ENTITY FRANCHISEE)

This Guaranty is a Schedule to the Franchise Agreement between Hoppin Franchising Group, LLC ("Franchisor") and _____ ("Franchisee") dated the _____ day of _____, 20___.

1. The undersigned agree, individually and on behalf of his or her martial community, to personally and unconditionally guarantee the performance of Franchisee under the Franchise Agreement and to perform all obligations under this Agreement on default by Franchisee. The undersigned further agree to pay any judgment or award against Franchisee obtained by Franchisor. Guarantors are also bound by covenants of the Agreement that by their nature or terms survive the expiration or termination of the Agreement, including but not limited to non-competition, indemnity and non-disclosure provisions.

2. Each Guarantor has consulted legal counsel of his/her own choosing as to his/her responsibilities and liabilities under this Guaranty.

3. Each Guarantor waives:

   (a) Notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed;

   (b) Protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed;

   (c) Any right he or she may have to require that an action be brought against Franchisee or any other person as a condition of liability;

4. Each Guarantor consents and agrees that:

   (a) Liability under this Guaranty is joint and several with any other guarantor and the Franchisee;

   (b) Each will render any payment or performance required under this Guaranty on demand, if Franchisee fails or refuses punctually to do so;

   (c) Each will individually comply with the provisions and all subsections of the Agreements and associated documents;

   (d) Liability is not contingent or conditioned on Franchisor's pursuit of any remedies against Franchisee or any other persons; and

(e) Liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person;

(f) Liability is not affected by any extension of time, acceptance or part performance, release of claims, or other compromise that Franchisor may grant Franchisee or other person, including the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable during the term of the Agreement.

(g) Each waives acceptance and notice of acceptance by Franchisor; waives notice of demand, and waives protest and notice of default, except as may be required by the Franchise Agreement.

5. Each Guarantor further hereby consents and agrees that:

(a) Guarantor's liability under this undertaking shall be direct, immediate, and independent of the liability of Franchisee, other guarantors, and the other owners of the Franchisee;

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

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

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

Guarantor agrees to be personally bound by the arbitration obligations under Section XXV.D of the Agreement, including without limitation, the obligation to submit to binding arbitration the claims described in Section XXV.D of the Agreement in accordance with its terms.

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

Dated on the _____date of _____20____.

(Set forth the name, address and percentage ownership of each owner of Franchisee, their spouse and their percentage ownership, if applicable):

NAME	ADDRESS	PERCENTAGE
_____	_____	_____
Signed	_____	
_____	_____	
Printed		
_____	_____	_____
Signed	_____	
_____	_____	
Printed		
_____	_____	_____
Signed	_____	
_____	_____	
Printed		
_____	_____	_____
Signed	_____	
_____	_____	
Printed		

SCHEDULE 6
HOPPIN FRANCHISING GROUP, LLC
COLLATERAL ASSIGNMENT OF LEASE

Franchisee: _____

_____

Franchisor: Hoppin Franchising Group, LLC

Date of this Collateral Assignment of Lease (the "Assignment"):_____

The Franchisee, to effect various provisions of that certain Franchise Agreement dated _____, 20 __, by and between Franchisee and Franchisor (the "Franchise Agreement"), hereby collaterally assigns to Franchisor (subject to the terms and conditions below) all of Franchisee's right, title and interest in, to and under that certain lease (the "Lease") dated _____ 20__, between Franchisee and _____, ("Landlord"), for that property commonly known as:_____(the "Premises"), a copy of which Lease is attached to this Assignment.

NOW, THEREFORE, for and in consideration of the mutual covenants herein contained, the sum of Ten Dollars ($10.00) and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and notwithstanding anything in the Lease to the contrary, it is hereby agreed as follows:

No material modification or amendment of the Lease shall occur or be effective without the prior written consent of Franchisor.

Except as provided in the Franchise Agreement, the Franchisor will not take possession of the Premises under this Assignment until and unless there is a default by Franchisee under the Lease or a termination, cancellation, rescission or expiration of the Franchisee's rights, or a default by Franchisee, under the Franchise Agreement. In such event(s), the Franchisor (or its designee) may (but has no obligation to) take possession of the Premises and assume the Franchisee's rights under the Lease, and, in such event, Franchisee will have no further right, title or interest in or under the Lease or to the Premises, all such rights thereby passing to the Franchisor or its designee, without the Landlord's further consent. The Franchisee will fully cooperate therewith, and do all acts necessary or appropriate thereto. The Franchisor will have no liabilities or obligations of any kind arising from, or in connection with, this Assignment, the Lease, the Premises or otherwise until and unless the Franchisor takes possession of the Premises pursuant to this Assignment and, in any event, the Franchisor will only be responsible for those obligations accruing with respect to the Lease after the date of such express assumption. Upon taking possession of the Premises, Franchisor shall be obligated from that date forward to perform all of the duties and obligations of Franchisee under the Lease. Franchisor shall notify Landlord, in writing, within five (5) days of taking possession of the Premises.

The Franchisee will not permit any surrender, termination, amendment or modification of the Lease and will elect and exercise all options to extend the term of or renew, or assume in bankruptcy, the Lease not less than thirty (30) days prior to the last day that said rights must be exercised. If the Franchisee does not do so, Franchisor may to the extent consistent with the United States Bankruptcy Code (but has no obligation to) do such acts for the account of Franchisee and without any liability or obligation of the Franchisor. Failure of the Franchisor to exercise any remedy hereunder shall not be a waiver of any of its rights. The rights and remedies of the Franchisor under this Assignment are in addition to those which the Franchisor has under the Franchise Agreement or otherwise. This Assignment shall bind, and benefit, Franchisor and Franchisee, and their respective successors and assigns. With respect to Franchisor and Franchisee the dispute resolution provisions (including, but not limited to, mediation, binding arbitration, waiver of jury trial and limitation of damages) of the Franchise Agreement shall apply to this Assignment, and/or any matter related in any way to it, but the Franchisor may, in any event and at its option, proceed with any action in court for possession of the Premises and any related remedies. If there is more than one Franchisee, their obligations are joint and several. As between Landlord and Franchisor and/or Franchisee, the dispute resolution provisions of the Lease shall apply.

In the event Franchisee shall fail to perform or observe any of the terms, conditions or agreements in the Lease, Landlord shall give written notice thereof to Franchisor and Franchisor shall have the right (but not the obligation) to cure such default. Landlord shall not take any action with respect to such default under the Lease, including without limitation any action in order to terminate, rescind or avoid the Lease, for a period of fifteen (15) days following expiration of any cure period Franchisee may have under the Lease with respect to such default; provided, however, that in the case of any default which cannot with diligence be cured within said additional fifteen (15) day period, if Franchisor shall proceed promptly to cure such default and thereafter prosecute the curing of such default with diligence and continuity, the time within which such default may be cured shall be extended for such period as may be necessary to complete the curing of such default with diligence and continuity.

Landlord will recognize and accept the performance by Franchisor of any act or thing required to be done by Franchisee under the terms of the Lease and will accept such performance as if it were performed by Franchisee.

Landlord agrees that in any case commenced by or against Franchisee under the United States Bankruptcy Code, the Franchisor shall have standing to appear and act as a party to the Lease for purposes of the Bankruptcy Code, (but shall not have any obligations under the Lease unless Franchisor expressly assumes the Lease). Landlord shall, during Franchisee's bankruptcy case, serve on the Franchisor a copy of all notices, pleadings or documents which are given to Franchisee, and service shall be contemporaneous with and in the same manner as given to Franchisee. If the Lease or Franchisee's rights under the Lease are terminated, whether by reason of default of Franchisee or Landlord, rejection of the Lease in any bankruptcy case, voluntary surrender and acceptance, or otherwise, then Landlord shall give written notice of such termination to Franchisor. Franchisor or its nominee shall have the option, exercisable by written notice to Landlord delivered not later than the 30th day after written notice that the termination has occurred, to receive from Landlord a new lease of the Premises on the same terms and conditions as the Lease, for the remaining term of the Lease (that is, the portion of the term that would remain absent the termination and the conditions or events causing the same), and such same terms and conditions shall include any extension rights provided for in the Lease.

Any notice or other communication required or permitted to be given under this Assignment shall be in writing and addressed to the respective party as set forth below. Notices shall be effective (i) on the next business day if sent by a nationally recognized overnight courier service, (ii) on the date of delivery by personal delivery and (iii) on the date of transmission if sent by facsimile during business hours on a business day (otherwise on the next business day) (with receipt of confirmation). Any party may change the address at which it is to receive notices to another address in the United States at which business is conducted (and not a post-office box or other similar receptacle), by giving notice of such change of address in accordance with this provision.

Notices to Franchisor, Franchisee or Landlord shall be addressed as follows:

Landlord: _____
_____
_____
_____

This Assignment may be executed in one or more counterparts, each of which when so executed shall be deemed to be an original, but all of which when taken together shall constitute one and the same instrument.

If any portion or portions of this Assignment shall be held invalid or inoperative, then all of the remaining portions shall remain in full force and effect, and, so far as is reasonable and possible, effect shall be given to the intent manifested by the portion or portions held to be invalid or inoperative.

This Agreement shall be governed by and construed in accordance with the laws of the State of _____.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment under as of the date first above written.

FRANCHISEE:

_____ _____
Signature Signature

_____ _____
Printed Name Printed Name

LANDLORD

_____

by _____

its_____

FRANCHISOR:

Hoppin Franchising Group, LLC

by_____

its_____

SCHEDULE 7
HOPPIN FRANCHISING GROUP, LLC
STATEMENT OF OWNERSHIP INTERESTS AND PRINCIPALS

A. The following is a list of all managing partners, partners, members, managers, shareholders, other Owners, investors in Franchisee (including all investors who own or hold direct or indirect interest in Franchisee) as well as all Franchisee's Principals described in and designated pursuant to Section XIX.B of the Franchise Agreement. A description of the nature of their interest is also provided below.

Name	**Percentage of Ownership/Nature of Interest**

B. In addition to the persons listed in paragraph A., the following is a list of all Franchisee's Principals described in and designated pursuant to Section XIX.B of the Franchise Agreement. Unless designated as a controlling Principal, each of Franchisee's Principals shall execute the Confidentiality Agreement in the form set forth in Schedule 8.

SCHEDULE 8
HOPPIN FRANCHISING GROUP, LLC
CONFIDENTIALITY AND NON-COMPETE AGREEMENT

This Agreement is made and entered into _____20_____, between Hoppin Franchising Group, LLC, a North Carolina limited liability company (hereinafter referred to as "Franchisor/we/us/our") and, _____ (hereinafter referred to as "You").

RECITALS:

WHEREAS, we have acquired the right to develop a unique system (the "System") for the development and operation of taproom featuring the serving of alcohol containing beverages, provided on a self-service/self-pour method via multiple taps under the name and mark "Hoppin'™" (each a "Taproom"); and

WHEREAS, the System includes but is not limited to certain trade names, service marks, trademarks, symbols, logos, emblems, and indicia of origin, including, but not limited to the mark Hoppin'™ and such other trade names, service marks, and trademarks as we may develop in the future to identify for the public the source of services and products marketed under such marks and under the System and representing the System's high standards of quality, appearance and service standards; our strategies for site acquisition, build-out, design and décor specifications; distinctive Products, Services and Rewards Programs; specific food and drink preparation and presentation standards, serving techniques, methods, procedures including food and beverage storage standards; specifications all products, supplies and equipment; purchasing strategies, inventory management systems, vendors and supplier relationships, cost and pricing strategies, procedures for cleanliness, safety, sanitation and quality control; guest service standards, methods and techniques; operational procedures and Operations Manual, employee hiring, training and retention guidelines; menu boards, photographs of food, sales, marketing programs, advertising, marketing and promotional materials; software, website (including our online ordering functionality), forms, contracts, record keeping, reporting procedures and accounting methods all of which may be changed, improved and further developed by Franchisor from time to time and are used by Franchisor in the operation of the System ("Trade Secrets"); and

WHEREAS, the Trade Secrets provide economic advantages to us and are not generally known to and are not readily ascertainable by proper means by our competitors who could obtain economic value from knowledge and use of the Trade Secrets; and

WHEREAS, We have taken and intends to take all reasonable steps to maintain the confidentiality and secrecy of the Trade Secrets; and

WHEREAS, We have granted You a limited right to manage and participate in the operation of a Taproom using the System and the Trade Secrets for the period defined in the Franchise Agreement made and entered into _____, 20_____ ("Franchise Agreement") between You and us; and

WHEREAS, You and we have agreed in the Franchise Agreement on the importance to us and to You and other licensed users of the System of restricting use, access and dissemination of the Trade Secrets; and

WHEREAS, it will be necessary for certain of You to have access to and to use some or all of the Trade Secrets in the management and operation of your Taproom using the System; and

WHEREAS, You have agreed to obtain from your staff written agreements protecting the Trade Secrets and the System against unfair competition; and

WHEREAS, each member of your staff wishes to remain, or wishes to become a staff member; and

WHEREAS, You will receive and use the Trade Secrets in the course of operating your Taproom;

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

1. We shall disclose to You some or all of the Trade Secrets relating to the System.

2. You shall receive the Trade Secrets in confidence, maintain them in confidence and use them only in connection with the management and/or operation of your of Taproom using the System for so long as you are licensed by us to use the System.

3. You shall not at any time make copies of any documents or compilations containing some or all of the Trade Secrets without our express written permission.

4. You shall not at any time disclose or permit the disclosure of the Trade Secrets except to your staff members and then only to the limited extent necessary to train or assist your staff members in the management or operation of your Taproom using the System.

5. That all information and materials, including without limitation, build out drawings, specifications, techniques and compilations of data which we shall designate as confidential shall be deemed the Trade Secrets for the purposes of this Agreement.

6. You shall surrender the confidential Franchise Operations and Procedures Manual and such other manuals and written materials as we shall have developed ("Manuals") described in the Franchise Agreement and any other material containing some or all of the Trade Secrets to You by us, upon request, or upon expiration or termination of the Franchise Agreement, or upon conclusion of the use for which the Manuals or other information or material may have been furnished to your staff.

7. You shall not, directly or indirectly, commit any act or omit to do any act that would or would likely be injurious or prejudicial to the goodwill associated with the Trade Secrets and the System.

8. The Manuals are loaned by us to You for limited purposes only and remain the property of ours and may not be reproduced, in whole or in part, without our written consent.

9. In further consideration for the disclosure to you of the Trade Secrets and to protect the uniqueness of the System, You agree that for two (2) years following the earlier of the expiration, termination or transfer of all of your interest in the Franchise Agreement you will not, without the prior written consent of us:

a. Divert or attempt to divert, directly or indirectly, any business, business opportunity or guest of the Taproom to any competitor.

b. Employ or seek to employ any person who is at the time employed by us or any franchisee or developer of ours, or otherwise directly or indirectly induce such persons to leave that person's employment.

c. Directly or indirectly, for yourself or through, on behalf of or in conjunction with any person, partnership or corporation, own, maintain, operate, engage in or have any financial or beneficial interest in (including interest in corporations, limited liability companies, partnerships, trusts, unincorporated associations or joint ventures), advise, assist or make loans to, any business which is the same as or similar to the Hoppin'™ Taproom including, but not limited to, any other business offering products and services that are similar to the Products and Services which have been offered through a Hoppin'™ business or is intended to be, located within a ten (10) mile radius of the Approved Location in the Franchise Agreement or of any Hoppin'™ business (which includes company-owned businesses and/or other franchise businesses) in existence or under construction as of the expiration or termination of, or the transfer of all or your interest in, the Franchise Agreement.

10. You undertake to use your best efforts to ensure that your staff acts as required by this Agreement.

11. You agree that in the event of a breach of this Agreement, we would be irreparably injured and be without an adequate remedy at law. Therefore, in the event of such a breach, or threatened or attempted breach of any of the provisions hereof, we shall be entitled to enforce this Agreement and shall be entitled, in addition to any other remedies which are available to it at law or in equity, including the right to terminate the Franchise Agreement, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.

12. You agree to pay all expenses (including court costs and reasonable legal fees) incurred by us and You in enforcing this Agreement.

13. Any failure by us or You to object or to take action with respect to any breach of this Agreement by You shall not operate or be construed as a waiver of or consent to that breach or any later breach by You.

14. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF NORTH CAROLINA. THE PARTIES AGREE THAT ANY ACTION BROUGHT BY ANY PARTY AGAINST ANOTHER IN ANY COURT, WHETHER FEDERAL OR STATE, SHALL BE BROUGHT IN NORTH CAROLINA IN THE JUDICIAL DISTRICT IN WHICH WE HAVE OUR PRINCIPAL PLACE OF BUSINESS; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION WHICH INCLUDES INJUNCTIVE RELIEF, YOU OR WE MAY BRING SUCH ACTION IN ANY COURT IN THE STATE WHICH HAS JURISDICTION. THE PARTIES HEREBY WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION.

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

16. This Agreement contains the entire agreement of the parties regarding the subject matter herein. This Agreement may be modified only by a duly authorized amendment executed by all parties.

17. All notices and demands required to be given herein shall be in writing and shall be sent by personal delivery, expedited delivery service, certified or registered mail, return receipt requested, first-class

postage prepaid or facsimile, telegram or telex (provided that the sender confirms the facsimile, telegram or telex by sending an original confirmation copy by certified or registered mail or expedited delivery service within three (3) business days after transmission), to the respective parties.

If directed to us, the notice shall be addressed to:

Hoppin Franchising Group, LLC
1402 Winnifred Street
Charlotte, NC 28203
Attention: Richard Moyer
Telephone: (704) 310-1535

If directed to You, the notice shall be addressed to:

_____
_____
_____

Attention:_____
Facsimile:_____
Telephone:_____

Any notices sent by personal delivery shall be deemed given upon receipt. Any notices given by facsimile, telegram or telex shall be deemed given upon transmission, provided confirmation is made as provided above.

Any notices sent by expedited delivery service or certified or registered mail shall be deemed given three (3) business days after the time of mailing. Any change in the above addresses shall effective by giving fifteen (15) days written notice of such change to the other party.

18. Our rights and remedies under this Agreement are fully assignable and transferable by us and shall inure to the benefit of our successors, assignees and transferees. The respective obligations of You and your staff herein are personal in nature and may not be transferred or assigned by you or your staff, as applicable.

IN WITNESS WHEREOF, the undersigned have entered into this Agreement as witnessed by their signatures below.

Hoppin Franchising Group, LLC
a North Carolina limited liability company:

Printed Name:_____

Signature:_____

Title:_____

You:

Printed Name:_____

Signature:_____

Title:_____

EXHIBIT B

DIRECTORY OF FEDERAL, STATE AND CANADIAN FRANCHISE REGULATORS

AGENTS FOR SERVICE OF PROCESS

EXHIBIT B

DIRECTORY OF FEDERAL, STATE AND CANADIAN FRANCHISE REGULATORS

FEDERAL

FEDERAL TRADE COMMISSION
Division of Marketing Practices
Seventh and Pennsylvania Avenues, N.W.
Room 238
Washington, D.C. 20580
202-326-2970

STATE FRANCHISE REGULATORS & AGENTS FOR SERVICE OF PROCESS

CALIFORNIA
Department of Financial Protection and Innovation
2101 Arena Boulevard
Sacramento, CA 95834
866-275-2677

CONNECTICUT
Connecticut Department of Banking
Securities Division
260 Constitution Plaza
Hartford, Connecticut 06103
800-831-7225

HAWAII
Commissioner of Securities of the State of Hawaii
Department of Commerce & Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street Room 205
Honolulu, Hawaii 96813
808-586-2722

ILLINOIS
Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706
217-782-4465

INDIANA
Chief Deputy Commissioner
Securities Divisions
302 West Washington Street, Room E-111
Indianapolis, Indiana 46204
317-232-6681

MARYLAND
Securities Commissioner
Division of Securities
200 St. Paul Place 20th Floor
Baltimore, Maryland 21202-2020
410-576-6360

State Administrator:
Office of Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202

MICHIGAN
Consumer Protection Division
Franchise Administrator
670 G. Mennen Williams Building
252 West Ottawa Street
Lansing, Michigan 48933
517-373-7117

MINNESOTA
Market Assurance Divisions
Minnesota Department of Commerce
85 Seventh Place East Suite 500
St. Paul, Minnesota 55101
651-296-2211

NEW YORK
New York Secretary of State
One Commerce Plaza
99 Washington Avenue
Albany, New York 12231
518-473-2492

New York State Department of Law
Investor Protection Bureau
120 Broadway 23rd Floor
New York, New York 10271
212-416-8236

NORTH CAROLINA
Richard Moyer
1402 Winnifred Street
Charlotte, NC 28203
704-310-1535

NORTH DAKOTA
Franchise Examiner
600 East Boulevard
State Capitol 5th Floor
Bismarck, North Dakota 58505
701-328-2910

RHODE ISLAND
Department of Business Regulation
Division of Securities
1511 Pontiac Avenue Bldg. 69-2
Cranston, Rhode Island 02920
401-462-9527

SOUTH DAKOTA
Franchise Administrator
Division of Securities
124 S. Euclid Ave Suite 104
Pierre, South Dakota 57501
605-773-4823

TEXAS
Secretary of State
P.O. Box 12697
Austin, Texas 78711-2697
1019 Brazos
Austin, Texas 78701
512-463-5701

VIRGINIA
Clerk of the State Corporation Commission
1300 East Main St, 9th Floor
Richmond, Virginia 23219
804-371-9733

State Administrator:
State Corporation Commission
1300 East Main St. 9th Floor
Richmond, Virginia 23219
804-371-9051

WASHINGTON
Securities Administrator
150 Israel Road SW
Turnwater, Washington 98501
360-902-8760

WISCONSIN
Franchise Registration
Divisions of Securities
P.O. Box 1768
Madison, Wisconsin 53701
608-261-9140

CANADA

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

Director of Franchises
New Brunswick Securities Commission
Suite 300
85 Los Angeles Street
Saint John, New Brunswick 32L 2J2

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

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

Director of Franchises
Manitoba Securities Commission
500-400 Saint Mary Avenue
Winnipeg, Manitoba R3C 4k5

EXHIBIT C

FRANCHISE DISCLOSURE QUESTIONNAIRE

EXHIBIT C

FRANCHISE DISCLOSURE QUESTIONNAIRE

DO NOT SIGN THIS QUESTIONNAIRE IF YOU ARE A RESIDENT OF MARYLAND OR THE BUSINESS IS TO BE OPERATED IN MARYLAND.

As you know, Hoppin Franchise Group, LLC ("we," "us" or "Franchisor") and you are preparing to enter into a Franchise Agreement for the operation of a Hoppin'™ Franchised Business. The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we have not authorized and that may be untrue, inaccurate, or misleading.

Please review each of the following questions carefully and provide honest and complete responses to each question.

1. Have you received and personally reviewed our Franchise Agreement and each exhibit and schedule attached to it?

   Yes ____ No____ Your Initials _____

2. Do you understand all of the information contained in the Franchise Agreement and each exhibit and schedule attached to it?

   Yes ____ No____ Your Initials _____

   If "No," what parts of the Franchise Agreement do you not understand?
   (Attach additional pages, if necessary)

   _____

   _____

   _____

   _____

3. Have you received and personally reviewed the Disclosure Document we provided to you?

   Yes ____ No____ Your Initials _____

4. Do you understand all of the information contained in the Disclosure Document?

   Yes ____ No____ Your Initials _____

   If "No," what parts of the Disclosure Document do you not understand?
   (Attach additional pages, if necessary)

   _____

   _____

   _____

   _____

5. Have you discussed the benefits and risks of operating a Franchised Business with an attorney, accountant or other professional advisor and do you understand those risks?

   Yes ____ No____ Your Initials _____

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

   Yes ____ No____ Your Initials _____

7. Has any employee or other person speaking on our behalf made any statement or promise concerning the revenues, profits or operating costs of a Franchised Business operated by us or our franchisees?

   Yes ____ No____ Your Initials _____

8. Has any employee or other person speaking on our behalf made any statement or promise concerning the Franchised Business that is contrary to, or different from, the information contained in the Disclosure Document?

   Yes ____ No____ Your Initials _____

9. Has any employee or other person speaking on our behalf made any statement or promise regarding the amount of money you may earn in operating a Franchised Business?

   Yes ____ No____ Your Initials _____

10. Has any employee or other person speaking on our behalf made any statement or promise concerning the total amount of revenue a Franchised Business will generate?

    Yes ____ No____ Your Initials _____

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

    Yes ____ No____ Your Initials _____

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

    Yes ____ No____ Your Initials _____

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

    Yes ____ No____ Your Initials _____

14. If you have answered "Yes" to any of questions 7 through 13, please provide a full explanation of your answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.)

    If you have answered "No" to all of questions 7 through 13, please leave the following lines blank.

    _____

    _____

    _____

    _____

15. Do you understand that in all dealings with you, our officers, directors, employees and agents act only in a representative capacity and not in an individual capacity and such dealings are solely between you and the Franchisor?

Yes ____ No____ Your Initials _____

You understand that your answers are important to us and we will rely on them. By signing this Questionnaire, you are representing that you have responded truthfully to the above questions.

_____
Franchise Applicant - Signature

_____
Print Name

_____
Date

EXHIBIT D

STATE ADDENDA

EXHIBIT D

STATE ADDENDA
TO
FRANCHISE DISCLOSURE DOCUMENT

☐	Exhibit D-1:	California
☐	Exhibit D-2:	Hawaii
☐	Exhibit D-3:	Illinois
☒	Exhibit D-4:	Maryland
☐	Exhibit D-5:	Minnesota
☐	Exhibit D-6:	New York
☐	Exhibit D-7:	North Dakota
☐	Exhibit D-8:	Washington

EXHIBIT D-1

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT: CALIFORNIA

1. The terms set forth in this Franchise Disclosure Document have not been negotiated with other franchisees during the previous 12 months.

2. The due diligence fee referenced to in Item 5.I of the Franchise Disclosure Document will comply with Section 31119(a) of the California Corporations Code and consequently will not be paid until after 14 calendar days from the date the prospective franchisee has received a copy of this Franchise Disclosure Document.

3. With respect to Item 6 of the Franchise Disclosure Document, please note that the highest interest rate allowed by law in California is 10% annually.

4. The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise be delivered together with the offering circular.

5. Neither the franchisor, nor any person or franchise broker in Item 2 of the FDD 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.

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

7. 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.).

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

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

10. Prospective franchisees are encourage to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

11. The franchise agreement requires application of the laws of North Carolina. This provision may not be enforceable under California law.

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

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

voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).

14. Our website has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the contents of the website may be directed to the California Department of Financial Protection and Innovation at www.dfpi.ca.gov.

15. Franchisees must sign a personal guaranty making you and your spouse individually liable for your financial obligations under the agreement if you are married. The guaranty will place your and your spouse's marital and personal assets at risk if your franchise fails.

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

EXHIBIT D-2

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT – HAWAII

NONE

EXHIBIT D-3

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT: ILLINOIS

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

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

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

4. Your rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

5. In addition to the Franchise Agreement, in the form attached as Exhibit A, Illinois franchisees will sign an Illinois Addendum attached to this Exhibit D-3.

ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT

THIS ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT (the "Addendum"), is made as of the ___ day of _____, 20__, between **HOPPIN FRANCHISE GROUP, LLC,** a North Carolina limited liability company ("Franchisor"), and _____, a _____ ("Franchisee"), to the Franchise Agreement with Franchisee dated as of today's date (the "Agreement").

WITNESSETH

WHEREAS, pursuant to the Agreement, Franchisee has obtained from Franchisor the right to operate a franchised unit at _____ (the "Franchised Business"); and

WHEREAS, the laws of the State of Illinois require the execution of this Addendum in connection with the execution of the Agreement;

NOW THEREFORE, in consideration of the mutual covenants herein contained, it is hereby agreed as follows:

1. Amendment. The terms of the Agreement are amended as follows:

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

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

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

1.4. Your rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

2. Supplemental. This Addendum is supplemental to and part of the Agreement. All the Agreement's terms and provisions, as amended above, remain effective on and after the date of this Addendum, as they may be later amended, supplemented, or otherwise modified from time to time.

HOPPIN FRANCHISE GROUP, LLC	**[FRANCHISEE]**
By:_____	
Name: _____	By:_____
Its: _____	Name:_____
	Its:_____

EXHIBIT D-4

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT – MARYLAND

1. The following language is added to Items 17(c) and (m): The general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. The following language is added to Item 17(h): A provision in the Franchise Agreement that provides for termination on your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 *et seq.*).

3. Item 17(v), is modified to include the words ", except you may sue in Maryland for any items arising under the Maryland Franchise Registration and Disclosure Law."

4. Item 17 is amended to state that "A franchisee may bring a lawsuit in Maryland arising under the Maryland Franchise Registration and Disclosure Law."

5. Item 17 is amended to state that "This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable."

6. Item 17 is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.

7. 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 or (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. The provision supersedes any other term of any document executed in connection with the franchise.

8. Item 5 is amended as follows: Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

MARYLAND ADDENDUM TO FRANCHISE AGREEMENT

THIS MARYLAND ADDENDUM TO FRANCHISE AGREEMENT (the "Addendum"), is made as of the ___ day of _____, 20__, between **HOPPIN FRANCHISE GROUP, LLC,** a North Carolina limited liability company ("Franchisor"), and _____, a _____ ("Franchisee"), to that certain Franchise Agreement dated as of even date herewith (the "Agreement").

W I T N E S S E T H

WHEREAS, pursuant to the Agreement, Franchisee has obtained from Franchisor the right to operate a franchised unit at _____ (the "Franchised Business"); and

WHEREAS, the laws of the State of Maryland require the execution of this Addendum in connection with the execution of the Agreement;

NOW THEREFORE, in consideration of the mutual covenants herein contained, it is hereby agreed as follows:

1. Amendment. The terms of the Agreement are amended as follows:

1.1 The following language is added to the Terms and Conditions of the Franchise Agreement: "The general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law."

1.2 The following language is added to the Franchise Agreement: "A franchisee may bring a lawsuit in Maryland arising under the Maryland Franchise Registration and Disclosure Law."

1.3 The following language is added to the Franchise Agreement: "Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise."

1.4 The following language is added to the Franchise Agreement: "All representations requiring perspective 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."

1.5 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.

1.6 Section XXXI (Section 31) is hereby deleted in its entirety.

1.7 Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum.

HOPPIN FRANCHISE GROUP, LLC	**[FRANCHISEE]**
By:_____	By:_____
Name: _____	Name:_____
Its: _____	Its:_____

EXHIBIT D-5

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT – MINNESOTA

1. The following language is added as an additional Risk Factor on the cover page of the Franchise Disclosure Document:

MINNESOTA STATUTES §80C.21 AND MINNESOTA RULE 2860.4400J CURRENTLY PROHIBIT LITIGATION TO BE CONDUCTED OUTSIDE MINNESOTA.

2. The following language is added to Item 13:

The Minnesota Department of Commerce requires that Franchisor indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the Franchisee's use of Franchisor's registered trademark infringes trademark rights of the third party. Franchisor is not required to indemnify Franchisee for its use of Franchisor's trademark unless such use is in accordance with the requirements of the Franchise Agreement. As a condition to indemnification, Franchisee must provide notice to Franchisor of any such claim within 10 days and tender the defense of the claim to Franchisor. If Franchisor accepts the tender of defense, Franchisee must cooperate in the defense as reasonably required and 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. The following language is added to Item 17:

Liquidated damages provisions are not enforceable under Minnesota law.

4. The following Sections are added to Item 17:

Minnesota Statute 80C.14, Subd. 5 states, "It is unfair and inequitable for a person to unreasonably withhold consent to an assignment, transfer, or sale of the franchise whenever the franchisee to be substituted meets the present qualifications and standards required of the franchisees of the particular franchisor."

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 Franchisee be given 90-days' notice of termination (with 60 days to cure) and 180-days' notice for nonrenewal of the Franchise Agreement.

5. The following language is added to Item 17:

Minnesota Statute 80C.17, Subd. 5 states, "No action may be commenced pursuant to this section more than three years after the cause of action accrues."

6. The following language is added to Item 17:

This section shall in no way abrogate or reduce any rights of the Franchisee as provided for in Minnesota Statutes 1984, Chapter 80C, including the right to submit matters to the jurisdiction of the courts of Minnesota.

7. The following language is added to Item 17:

This section shall in no way abrogate or reduce any rights of the Franchisee as provided for in Minnesota Statutes 1984, Chapter 80(C), including the right to a jury trial.

8. The following language is added to Item 17:

Notwithstanding any requirement for litigation to be conducted in North Carolina, litigation may be brought in Minnesota to the extent required by Minnesota law.

9. The following language is added to Item 17:

Minnesota Rule 2860.4400(D) provides that a franchisee may not be required to assent to a release that would relief any person from liability imposed by Minnesota Statutes 1973 Supplement, sections 80C.01 to 80C.22.

10. The following language is added to Item 17:

Minnesota Rule 2860.4400(J) provides that [a] although a franchisor can seek injunctive relief, a franchisee cannot consent to the franchisor's obtaining injunctive relieve and [b] a court shall decide whether bond is required as a condition to entry of a temporary or permanent injunction.

11. In addition to the Franchise Agreement, in the form attached as Exhibit A, Minnesota franchisees will sign a Minnesota Addendum in the form attached to this Exhibit D-5.

MINNESOTA ADDENDUM TO FRANCHISE AGREEMENT

THIS MINNESOTA ADDENDUM TO FRANCHISE AGREEMENT (the "Addendum"), is made as of the ___ day of _____, 20__, between **HOPPIN FRANCHISE GROUP, LLC** a North Carolina limited liability company ("Franchisor"), and _____, a _____ ("Franchisee"), to that certain Franchise Agreement dated as of even date herewith (the "Agreement").

W I T N E S S E T H

WHEREAS, pursuant to the Agreement, Franchisee has obtained from Franchisor the right to operate a franchised unit at _____ (the "Franchised Business"); and

WHEREAS, the laws of the State of Minnesota require the execution of this Addendum in connection with the execution of the Agreement;

NOW THEREFORE, in consideration of the mutual covenants herein contained, it is hereby agreed as follows:

1. Amendment. The terms of the Agreement are amended as follows:

1.1 Indemnification. The following language is added to Section 17:

(h) The Minnesota Department of Commerce requires that Franchisor indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the Franchisee's use of Franchisor's registered trademark infringes trademark rights of the third party. Franchisor is not required to indemnify Franchisee for its use of Franchisor's trademark unless such use is in accordance with the requirements of the Franchise Agreement. As a condition to indemnification, Franchisee must provide notice to Franchisor of any such claim within 10 days and tender the defense of the claim to Franchisor. If Franchisor accepts the tender of defense, Franchisee must cooperate in the defense as reasonably required and 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.

1.2 Consent. The following language is added as the new last paragraph of Section 18.2:

Minnesota Statute 80C.14, Subd. 5 states, "It is unfair and inequitable for a person to unreasonably withhold consent to an assignment, transfer, or sale of the franchise whenever the franchisee to be substituted meets the present qualifications and standards required of the franchisees of the particular franchisor".

1.3 Notice. The following language is added as the new second paragraph of Section 19.1:

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 Franchisee be given 90-days' notice of termination with 60 days to cure (subject to the exceptions in the Rule 2860.4400(E)(2)(a)-(c)) and 180-days' notice for nonrenewal of the Franchise Agreement.

1.4 Limitation of Claims. The following language is added as a new Section 18.7:

Minnesota Statute 80C.17, Subd. 5 states, "No action may be commenced pursuant to this section more than three years after the cause of action accrues."

1.5 Jurisdiction. The following language is added to Section 21.7:

This section shall in no way abrogate or reduce any rights of the Franchisee as provided for in Minnesota Statutes 1984, Chapter 80C, including the right to submit matters to the jurisdiction of the courts of Minnesota or the right to a jury trial.

1.6 Forum. The following language is added to the end of Section 21.4

Notwithstanding any requirement for litigation to be conducted in North Carolina, litigation may be brought in Minnesota to the extent required by Minnesota law.

1.7 Release. The following language is added as a new Section 20.9:

Notwithstanding any other provisions in this Agreement to the contrary, Minnesota Rule 2860.4400(D) provides that a franchisee may not be required to assent to a release that would relieve any person from liability imposed by Minnesota Statutes 1973 Supplement, sections 80C.01 to 80C.22.

1.8 Bond. The following language is added to the end of Section 21.6:

Notwithstanding any other provisions in this Agreement to the contrary, Minnesota Rule 2860.4400(J) provides that [a] although a franchisor can seek injunctive relief, a franchisee cannot consent to the franchisor's obtaining injunctive relief and [b] a court shall decide whether bond is required as a condition to entry of a temporary or permanent injunction.

2. Supplemental Agreement. This Addendum is supplemental to and part of the Agreement. All the Agreement's terms and provisions, as amended above, shall remain effective on and after the date written above, as they may be later amended, supplemented, or otherwise modified from time to time.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum.

HOPPIN FRANCHISE GROUP, LLC	**[FRANCHISEE]**
By:_____	By:_____
Name: _____	Name:_____
Its: _____	Its:_____

EXHIBIT D-6

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT – NEW YORK

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

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

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

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

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

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

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

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities,

antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

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

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

The Initial Franchise Fee constitutes part of our general operating funds and will be used as such in our discretion.

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

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

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

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

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

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

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

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

In addition to the Franchise Agreement, in the form attached as Exhibit A, New York franchisees will sign a New York Addendum in the form attached to this Exhibit D-6.

NEW YORK ADDENDUM TO FRANCHISE AGREEMENT

THIS NEW YORK ADDENDUM TO FRANCHISE AGREEMENT (the "Addendum"), is made as of the ___ day of _____, 20__, between **HOPPIN FRANCHISE GROUP, LLC,** a North Carolina limited liability company ("Franchisor"), and _____, a _____ ("Franchisee"), to that certain Franchise Agreement dated as of even date herewith (the "Agreement").

W I T N E S S E T H

WHEREAS, pursuant to the Agreement, Franchisee has obtained from Franchisor the right to operate a franchised unit at _____ (the "Franchised Business"); and

WHEREAS, the laws of the State of New York require the execution of this Addendum in connection with the execution of the Agreement;

NOW THEREFORE, in consideration of the mutual covenants herein contained, it is hereby agreed as follows:

1. Amendment. The terms of the Agreement are amended as follows:

1.1 The following language is hereby added to the end of Section 4.2(g) of the Agreement:

> 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.

1.2 The following language is hereby added to the end of Section 19.4 of the Agreement:

> Notwithstanding the foregoing, the Franchisee may terminate this Agreement on any grounds available by applicable law.

1.3 The following language is hereby added to the end of Section 18.3 of the Agreement:

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

1.4 The following language is hereby added to the end of Section 21.7 of the Agreement:

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

2. Supplemental Agreement. This Addendum is supplemental to and part of the Agreement. All the Agreement's terms and provisions, as amended above, shall remain effective on and after the date written above, as they may be later amended, supplemented, or otherwise modified from time to time.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum.

HOPPIN FRANCHISE GROUP, LLC	**[FRANCHISEE]**
By:_____	
Name: _____	
Its: _____	By:_____
	Name:_____
	Its:_____

EXHIBIT D-7

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT – NORTH DAKOTA

1. Item 17(c) of the Franchise Disclosure Document and Section 4.2(g) of the Franchise Agreement require the franchisee to sign a release of claims upon renewal of the franchise agreement. These provisions may not be enforceable under North Dakota law.

2. Item 17(r) of the Franchise Disclosure Document and Section 15 of the Franchise Agreement disclose the existence of certain covenants restricting competition to which franchisees must agree. Covenants not to compete are generally considered unenforceable in the State of North Dakota.

3. Item 17(v) of the Franchise Disclosure Document and Section 21.7 of the Franchise Agreement provide that the franchisee must consent to the jurisdiction of the courts of the State of North Carolina. These provisions may not be enforceable under North Dakota law.

4. Item 17(w) of the Franchise Disclosure Document and Section 21.7 of the Franchise Agreement require application of the laws of the State of North Carolina. These provisions may not be enforceable under North Dakota law.

5. Section 21.4 of the Franchise Agreement requires the franchisee to consent to a waiver or exemplary and punitive damages. These provisions may not be enforceable under North Dakota law.

6. In addition to the Franchise Agreement, in the form attached as Exhibit A, North Dakota franchisees will sign the North Dakota Addendum to Franchise Agreement, in the form attached to this Exhibit D-7.

NORTH DAKOTA ADDENDUM TO FRANCHISE AGREEMENT

THIS NORTH DAKOTA ADDENDUM TO FRANCHISE AGREEMENT (the "Addendum"), is made as of the ___ day of _____, 20__, **HOPPIN FRANCHISE GROUP, LLC,** a North Carolina limited liability company ("Franchisor"), and _____, a _____ ("Franchisee"), to that certain Franchise Agreement dated as of even date herewith (the "Agreement").

W I T N E S S E T H

WHEREAS, pursuant to the Agreement, Franchisee has obtained from Franchisor the right to operate a franchised unit at _____ (the "Franchised Business"); and

WHEREAS, the laws of the State of North Dakota require the execution of this Addendum in connection with the execution of the Agreement;

NOW THEREFORE, in consideration of the mutual covenants herein contained, it is hereby agreed as follows:

1. Amendment. The terms of the Agreement are amended as follows:

1.1 Release. The following language is added to the end of Section 4.2(g) of the Franchise Agreement:

> Notwithstanding the forgoing, your obligation to provide a general release upon renewal of your Franchise Agreement may not be enforceable under the laws of North Dakota.

1.2 Covenants Not to Compete. The following language is added to the end of Section 15 of the Franchise Agreement:

> Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.

1.3 Forum and Choice of Law. The following language is added to the end of Section 21.7 of the Franchise Agreement:

> Notwithstanding any provision herein or in any document executed in connection herewith providing for litigation or arbitration to be conducted in North Carolina, litigation or arbitration may be brought in North Dakota to the extent required by North Dakota law. The provision herein and similar provisions in other documents executed in connection herewith requiring application of the laws of the State of North Carolina may not be applicable to the extent they conflict with North Dakota law.

1.4 Certain Damages. The following language is added to the end of Section 21.4 of the Franchise Agreement:

> The provisions of this Section requiring Franchisee to consent to a waiver of exemplary and punitive damages may not be enforceable under current North Dakota law.

2. Supplemental Agreement. This Addendum is supplemental to and part of the Agreement. All the Agreement's terms and provisions, as amended above, shall remain effective on and after the date written above, as they may be later amended, supplemented, or otherwise modified from time to time.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum.

HOPPIN FRANCHISE GROUP, LLC	**[FRANCHISEE]**
By:_____	
Name: _____	By:_____
Its: _____	Name:_____
	Its:_____

EXHIBIT D-8

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT – WASHINGTON

1. Notwithstanding the provisions contained in Items 17(d), 17(g) and 17(r), including those regarding termination of the franchise, are subject to state law.

2. In addition to the Franchise Agreement, in the form attached as Exhibit A, Washington franchisees will sign a Washington Addendum in the applicable form attached to this Exhibit D-8.

WASHINGTON ADDENDUM TO FRANCHISE AGREEMENT

THIS WASHINGTON ADDENDUM TO FRANCHISE AGREEMENT (the "Addendum"), is made as of the ___ day of _____, 20__, between **HOPPIN FRANCHISE GROUP, LLC,** a North Carolina limited liability company ("Franchisor"), and _____, a _____ ("Franchisee"), to that certain Franchise Agreement dated as of even date herewith (the "Agreement").

W I T N E S S E T H

WHEREAS, pursuant to the Agreement, Franchisee has obtained from Franchisor the right to operate a franchised unit at _____ (the "Franchised Business"); and

WHEREAS, the laws of the State of Washington require the execution of this Addendum in connection with the execution of the Agreement;

NOW THEREFORE, in consideration of the mutual covenants herein contained, it is hereby agreed as follows:

1 Amendment. The terms of the Agreement are amended as follows:

1.1 The state of Washington has a statute, the Washington Franchise Investment Protection Act, RCW 19.100.180 (the "Act"), which may supersede the Agreement in Franchisee's relationship with Franchisor including the areas of termination and renewal of the franchise. There may also be court decisions which may supersede the Franchise Agreement in Franchisee's relationship with Franchisor, including the areas of termination and renewal of the franchise.

1.2 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 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 the franchises, or a violation of the Act, in Washington.

1.3 In the event of a conflict of laws, the provisions of the Act shall prevail.

1.4 A release or waiver of rights executed by Franchisee may not include rights under the 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, rights or remedies under the Act such as right to a jury trial, may not be enforceable.

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

1.6 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 an 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.

1.7 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.

2 Supplemental Agreement. This Addendum is supplemental to and part of the Agreement. All the Agreement's terms and provisions, as amended above, shall remain effective on and after the date written above, as they may be later amended, supplemented, or otherwise modified from time to time.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum.

HOPPIN FRANCHISE GROUP, LLC	**[FRANCHISEE]**
By:_____	
Name: _____	By:_____
Its: _____	Name:_____
	Its:_____

EXHIBIT E

OPERATIONS MANUAL

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Hoppin' Operations Manual Table of Contents

1. Introduction
2. Who we Are
3. Site Selection
4. Intro to Self-pour
5. Construction Process
6. Interior Design Process
7. Furniture, Fixtures, and Equipment
8. Hiring Process
9. Employee Training
10. Pre-Opening Checklist
11. Marketing
12. Sales and Events
13. Accounting
14. Day to Day Operations
15. Services that are provided
16. Services to shop for
17. Front of House Operation
18. Back of House Operation
19. Applying for/Maintaining Licenses
20. Table and Yard Games
21. Food Vendors
22. Closing Statement

EXHIBIT F

OPTION

AGREEMENT

EXHIBIT F

FRANCHISE OPTION AGREEMENT

This Option Agreement is entered into as of _____, 20___ between Hoppin Franchise Group, LLC ("Franchisor") and_____ ("Optionee").

1. Grant of Option. Optionee is hereby granted an option ("Option") to be awarded a Hoppin'™ Franchise.

2. Location. Optionee has the exclusive right to enter into a Franchise Agreement during the term of this Option Agreement for a Hoppin'™ franchise to be opened within _____miles of the "selected address" listed below. The exact location of the franchise is chosen by Optionee, subject to Franchisor's approval.

3. Option Fee. A non-refundable option payment of $10,000 is required with the execution of this Agreement. The option payment will be credited towards the Initial Franchise Fee of $59,995 or $39,995 for a second franchise any additional franchises thereafter; if the Franchise Agreement is executed on or before the expiration date of this Agreement. An Optionee must prove financial qualifications and pass the background, credit, and criminal checks generally required of Hoppin'™ franchisees and maintain those requirements at the time you exercise this Option. No refund will be paid if the financial qualifications or background check of the owners cannot be met before a franchise is granted.

4. Term. This Option will have a term of six months and begins on the date of this Agreement listed below.

5. Notices. All notices sent by one party to the other must be hand-delivered, sent by registered or certified mail, return receipt requested, or transmitted by facsimile, or sent via electronic means if the sender can verify receipt. They will be addressed to Franchisor at its office as above designated, or at the other address Franchisor designates in writing, and addressed to Optionee at the address Optionee designates in writing. Any notice is deemed given and received, when delivered, if hand-delivered; if sent by facsimile or electronic means, on the next business day after sent; and if mailed, on the third business day following the mailing.

6. Governing Law. This Agreement is valid when executed and accepted by Franchisor, and is governed by the laws of the State of North Carolina. Mecklenburg County, North Carolina will be the venue for any arbitration or litigation. This choice of laws will not affect the scope of the North Carolina franchise, business opportunity or related statutes, and nothing in this Agreement will be deemed to extend the scope of application of those laws.

Selected Address _____

_____

_____

Dated_____, 20_____ Expiration Date_____

FRANCHISOR:
Hoppin Franchise Group, LLC

Signed _____

Name _____

Title _____

OPTIONEE:

Signed _____

Name _____

Title _____

Signed _____

Name _____

Title _____

EXHIBIT G

List of Franchisees

Hoppin' RH LLC
4514 Chestwood Court
Rock Hill, SC 29732
David Williams
(803) 493-4253

Baeza Investments LLC (not operational as of 12/31/2022)
301 E. John Street #534
Matthews, NC 28106
Mark Baeza
Marco@hoppinbrands.com
(787) 421-5597

Hoppin DFW, LLC
117 Oaks Spring Ln.
Weatherford, TX 76087
Michael and Holly Britner
(704) 572-7601
Michael@hoppinbrands.com, Holly@hoppinbrands.com-

EXHIBIT H

Franchisees Who Left the System

NO FRANCHISEES HAVE LEFT THE FRANCHISE SYSTEM
AS OF THE DATE OF THE DISCLOSURE DOCUMENT.

EXHIBIT I

Financial Statements

EXHIBIT J

State Effective Dates

Hoppin Franchise Group, LLC

Financial Statements
As of December 31, 2022 and 2021

Together with
Independent Auditor's Report

BGW CPA
Balance. Growth. Wisdom.

HOPPIN FRANCHISE GROUP, LLC

FINANCIAL STATEMENTS

December 31, 2022 and 2021

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FINANCIAL STATEMENTS:	
Balance Sheets	3
Statements of Operations and Changes in Member's Deficit	4
Statements of Cash Flows	5
Notes to Financial Statements	6

BGW CPA, PLLC
advisory | tax | attest

1616 Camden Road, Suite 510, Charlotte NC 28203
220 North King Street, Hendersonville NC 28792
1304 Professional Drive, Suite B, Myrtle Beach SC 29577
P 704-552-0553 F 704-496-2210 www.trustbgw.com

INDEPENDENT AUDITOR'S REPORT

To the Member of
Hoppin Franchise Group, LLC:

Opinion
We have audited the accompanying financial statements of Hoppin Franchise Group, LLC which comprise the balance sheets as of December 31, 2022 and 2021 and the related statements of operations and changes in member's deficit, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hoppin Franchise Group, LLC as of December 31, 2022 and 2021, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Hoppin Franchise Group, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate the conditions or events, considered in the aggregate, that raise substantial doubt about Hoppin Franchise Group, LLC's ability to continue as a going concern within one year after the date the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Hoppin Franchise Group, LLC's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hoppin Franchise Group, LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate to those charged with governance regarding, among other matters, the planned scope and timing of the audit findings, and certain internal control matters that we identified during the audits.

Charlotte, North Carolina,
March 15, 2023

BGW CPA, PLLC

HOPPIN FRANCHISE GROUP, LLC

BALANCE SHEETS

December 31, 2022 and 2021

ASSETS

	2022	2021
CURRENT ASSETS:		
Cash	$2,451	$13,731
Other current assets	7	-
Deferred contract costs, current	6,000	-
Other receivables	-	705
Total current assets	8,458	14,436
DEFERRED CONTRACT COSTS, long term	23,178	-
	$31,636	$14,436

LIABILITIES AND MEMBER'S DEFICIT

CURRENT LIABILITIES:		
Accrued expenses	$5,095	$14,746
Due to related party	42,268	25,000
Deferred franchise revenue, current	24,998	-
Total current liabilities	72,361	39,746
DEFERRED FRANCHISE REVENUE, long term	116,655	-
MEMBER'S DEFICIT	(157,380)	(25,310)
Total liabilities and member's deficit	$31,636	$14,436

The accompanying notes to financial statements are an integral part of these statements.

HOPPIN FRANCHISE GROUP, LLC

STATEMENTS OF OPERATIONS AND CHANGES IN MEMBER'S DEFICIT

For the years ended December 31, 2022 and 2021

	2022	2021
REVENUES:		
Franchise fees	$8,338	$ -
GENERAL AND ADMINISTRATIVE EXPENSES:		
Legal and professional services	(68,895)	(26,471)
Bank charges and fees	(18)	-
Office supplies and software	(1,715)	-
Management fee	(70,000)	-
Dues and subscriptions	-	(30)
Total general and administrative expenses	(140,628)	(26,501)
OTHER INCOME (EXPENSE):		
Interest expense	(244)	-
Credit card rewards income	464	1,191
Total other income, net	220	1,191
NET LOSS	(132,070)	(25,310)
BEGINNING MEMBER'S DEFICIT	(25,310)	-
ENDING MEMBER'S DEFICIT	($157,380)	($25,310)

The accompanying notes to financial statements are an integral part of these statements.

HOPPIN FRANCHISE GROUP, LLC

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	($132,070)	($25,310)
Adjustments to reconcile net loss		
to net cash used in operating activities:		
Change in deferred revenue	141,653	-
Change in deferred contract costs	(29,178)	-
Change in other current assets	(7)	-
Change in other receivables	705	(705)
Change in accrued expenses	(9,651)	14,746
Net cash used in operating activities	(28,548)	(11,269)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from related parties	17,268	25,000
(DECREASE) INCREASE IN CASH	(11,280)	13,731
CASH, beginning of year	13,731	-
CASH, end of year	$2,451	$13,731

The accompanying notes to financial statements are an integral part of these statements.

HOPPIN FRANCHISE GROUP, LLC

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Business Activities – Hoppin Franchise Group, LLC, "The Company", obtains customers under contract and assigns customers to franchisees in various states throughout the US. The assignment is made via a franchise agreement which grants the franchisee the right to use the Company's marketing and business techniques and systems in the bar and nightclub service business under the "Hoppin'" trademark. The economic climate in various states will have an impact on the nature, timing, and amount of future revenues and cash flows.

Organization – The Company was organized under the laws of the State of North Carolina. The Company will remain in existence in perpetuity.

Income Taxes – The Company is a limited liability company which is treated as a partnership for Federal and state income tax purposes for which all elements of income and deductions are included on each individual partner's separate tax return. Therefore, no provision for income taxes has been made in the financial statements.

The Company files income tax returns in the United States federal jurisdiction and in various state jurisdictions. The Company files all federal and state income tax returns timely.

Revenue Recognition – The Company sells franchises under an agreement that entitles it to receive an initial franchise fee and royalties based on the gross revenue of the franchisee. In 2022 no royalties were received as no franchises had begun operations. Revenues from the franchise fees are recognized over the term of the respective franchise agreement from the date the contract is signed. The initial term of the agreement is 5 or 10 years, based on the terms in the franchise agreement. Prior to the end of the franchise term or as otherwise provided by the Company, a franchisee may elect to renew the term of a franchise agreement.

Deferred franchise revenue – The unearned portions of initial franchise fees are recorded as liabilities on the balance sheets. The franchise fee amounts are recognized as revenues over the term of the initial agreement term, as defined in the franchise agreements, based on the date the contract is signed.

Deferred contract costs – The Company incurs costs such as commissions and broker fees when selling franchises. These costs are recognized on the balance sheet upon paying them and are recognized as general and administrative expenses over the term of the initial agreement term, as defined in the franchise agreements, based on the date the contract is signed.

2. RELATED PARTY TRANSACTIONS:

As of December 31, 2022 and 2021, the Company owed amounts to an entity related through common ownership of approximately $42,000 and $25,000, respectively. The amounts are due on demand and bear no interest and are for management services provided by the sole member of the Company.

3. OPERATING AGREEMENT:

The Company's operating agreement authorizes the Company to engage in any lawful activity. Any transfer of the sole member's interest is restricted, as described in the operating agreement. The agreement outlines the various methods the sole member's interest can be voluntarily or involuntarily transferred.

4. SUBSEQUENT EVENTS

Events and transactions occurring after December 31, 2022 have been evaluated to determine proper recognition and disclosure in the financial statements. Subsequent events and transactions were evaluated through March 15, 2023, which represents the date the financial statements were available to be issued.

STATE EFFECTIVE DATES

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

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

STATE	EFFECTIVE DATE
California	not registered
Hawaii	not registered
Illinois	not registered
Indiana	not registered
Maryland	Pending
Michigan	not registered
Minnesota	not registered
New York	not registered
North Dakota	not registered
Rhode Island	not registered
South Dakota	not registered
Virginia	Pending
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 K

Receipts

RECEIPT

RETURN THIS SIGNED COPY TO THE FRANCHISOR

ACKNOWLEDGEMENT OF RECEIPT FOR FDD
Franchise Disclosure Document [FDD]
HOPPIN FRANCHISE GROUP, LLC

This Disclosure Document summarizes provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Hoppin Franchise Group, LLC offers you a franchise, it must provide this Disclosure Document to you fourteen (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.

If Hoppin Franchise Group, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of Federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the appropriate state agency as identified on Exhibit B of this Disclosure Document.

Hoppin Franchise Group, LLC's franchise seller is: Richard Moyer at: 1402 Winnifred Street, Charlotte, NC 28203, (704) 310-1535.

Issuance Date: April 1, 2023.

I received a Hoppin'™ Disclosure Document dated April 1, 2023 that included the following Exhibits:

A	Franchise Agreement with attached Schedules
B	List of State Agencies and Regulators
C	Franchise Disclosure Questionnaire
D	State Addenda
E	Operations Manual Table of Contents
F	Option Agreement
G	List of Franchisees
H	Franchisees Who Have Left the System
I	Financial Statements
J	State Effective Dates
K	Receipts

_____ _____

Date Recipient/Franchise Applicant

RETURN THIS SIGNED FORM TO THE FRANCHISOR. Mail to: Hoppin Franchise Group, LLC, 1402 Winnifred Street, Charlotte, NC 28203.

RECEIPT

APPLICANT COPY

ACKNOWLEDGEMENT OF RECEIPT FOR FDD
Franchise Disclosure Document [FDD]
HOPPIN FRANCHISE GROUP, LLC

This Disclosure Document summarizes provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

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H	Franchisees Who Have Left the System
I	Financial Statements
J	State Effective Dates
K	Receipts

_____ _____

Date Recipient/Franchise Applicant

THIS SIGNED FORM REMAINS WITH THE FRANCHISE APPLICANT