FRANCHISE DISCLOSURE DOCUMENT

The franchisor's name is BRG Franchising, Inc, formerly known as Dynaco Franchising, Inc It is a California corporation Its principal business address is 530 E Herndon, Suite 105, Fresno, California 93720, telephone number (559) 485-8520

A sample of the primary business trademark [service mark] that the franchisee will use in its business, consisting of the word "Huckleberry's" cascading through a river scene with a steam boat above a branch of huckleberries with a full moon shining down, appears below

The franchised business is a restaurant business serving breakfast, lunch and dinner during the hours of 6 00 A M to 3 00 P M

The total investment necessary to begin operation of a "Huckleberry's" franchise is between $268,000 00 and $768,750 00 This includes $35,000 00 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 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**

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

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

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

The issuance date of this disclosure document is ______________ ____, ~~2015~~2016

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state

REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT

Call the state franchise administrator listed in Exhibit ~~K~~I for information about the franchisor, or about franchising in your state

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

Please consider the following RISK FACTORS before you buy this franchise

1 THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN FRESNO COUNTY, CALIFORNIA OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE

2 THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW YOU MAY WANT TO COMPARE THESE LAWS

3 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

We do not use the services of FRANCHISE BROKERS, but we do use the services of one or more referral sources to assist us in selling our franchise The referral sources we use represent us, not you We pay these referral sources a fee for referring you to us You should be sure to do your own investigation of the franchise

Effective Date ____________________________, ~~2015~~2016

Table of Contents

Receipt

Item 1

THE FRANCHISOR, ITS PREDECESSORS AND AFFILIATES

The name of the franchisor is BRG Franchising, Inc , formerly known as Dynaco Franchising, Inc It changed its name by filing a Certificate of Amendment to its Articles of Incorporation with the California Secretary of State on April 3, 2014 Its predecessor is Brooks Restaurant Group, Inc , formerly known as Dynaco, Inc Dynaco, Inc changed its name by filing a Certificate of Amendment to its Articles of Incorporation with the California Secretary of State on April 3, 2014 Dynaco, Inc was formerly known as Perko's Enterprises, Inc To simplify the language in this disclosure document, "BRGF" means BRG Franchising, Inc "You" means the person or the business entity who buys the franchise If you are a partnership, corporation or other business entity, "you" includes your owners

BRGF is a California corporation incorporated in August, 1991 BRGF is a wholly owned subsidiary of Brooks Restaurant Group, Inc BRGF does business as "Perko's Cafe," "Perko's Cafe & Grill," "Perko's Family Dining," "Cool Hand Lukes Steakhouse/Saloon," "Cool Hand Luke's Grill," and "Huckleberry's " It does not presently do business under other names Its principal business address is 530 E Herndon, Suite 105, Fresno, California 93720 That is also the address of Brooks Restaurant Group, Inc and BRGF's agent for service of process, R T Brooks

BRGF sells franchises BRGF does not operate restaurants of the type being franchised BRGF does not have other business activities You will conduct a restaurant business serving breakfast and lunch The general market is everyone who eats out Business is not seasonal There are no regulations specific to the restaurant industry Competition comes from other food service establishments

BRGF has never operated "Perko's" restaurants, "Cool Hand Luke's" restaurants, and "Huckleberry's" restaurants Brooks Restaurant Group, Inc has operated "Perko's" restaurants since September, 1973, and it sold "Perko's" franchises from June, 1977, until October, 1991, when BRGF began selling "Perko's" franchises Brooks Restaurant Group, Inc , has operated "Cool Hand Luke's" restaurants since December, 2004 BRGF began selling "Cool Hand Luke's" franchises in 2005 BRGF has sold over 100 coffee shop franchises Brooks Restaurant Group, Inc owns and operates two "Cool Hand Luke's" restaurants Neither BRGF nor Brooks Restaurant Group, Inc has offered franchises in other lines of business

In April, 2003, a registration became effective allowing Country Waffles, Inc , a former affiliate of BRGF and Brooks Restaurant Group, Inc to sell "Early Dawn Steak House" restaurant franchises, a restaurant concept similar to the "Cool Hand Luke's Steakhouse/Saloon" restaurant concept Country Waffles, Inc never sold any such franchises, and this registration expired in April, 2004

<u>Item 2</u>

BUSINESS EXPERIENCE

<u>R T Brooks</u>

R T Brooks, who owns 50% of the outstanding stock of Brooks Restaurant Group, Inc , has since 1991 served as an officer and director of BRGF, and he became its President and Chief Operations Officer in 2003 He is employed by and has been active in the restaurant operations of Brooks Restaurant Group, Inc since 1973, and since July, 2000, has served as BRGF's President and Chief Operations Officer

<u>Deborah J Brooks</u>

Deborah J Brooks is a shareholder of Brooks Restaurant Group, Inc , owning 50% of its outstanding stock She has been involved in the restaurant business since 1994, assisting R T Brooks in the opening of new restaurants Her current duties include franchise development and real estate negotiations, as well as overall administration of Brooks Restaurant Group, Inc and BRGF

<u>Dmitri Istomin</u>

Dmitri Istomin is a director and Chief Financial Officer of Brooks Restaurant Group, Inc and BRGF He consults with the other directors of both corporations regarding accounting and related matters

<u>Item 3</u>

LITIGATION

No litigation is required to be disclosed in this disclosure document

Neither BRGF, nor any person named in Item 2 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, etc , suspending or expelling such person from membership in such association or exchange

<u>Item 4</u>

BANKRUPTCY

During the 10-year period immediately before the date of this disclosure document, Dynaco, Inc , filed as a debtor a petition under the United States Bankruptcy Code Dynaco, Inc , is the parent company of BRGF Dynaco, Inc , changed its name to Brooks Restaurant Group, Inc , following the filing

The current name, address, and principal place of business of the debtor is as follows Brooks Restaurant Group, Inc , 530 E Herndon, Suite 105, Fresno, California 93720 This address is both the address and principal place of business of the debtor

The relationship of the debtor to the franchisor is parent-subsidiary

The date of the original filing and the material facts, including the bankruptcy court and case number are as follows The case was filed on November 21, 2011, in the United States Bankruptcy Court for the Eastern District of California, as Case No 11-62472-A-11 The debtor sought to reorganize under Chapter 11 of the Bankruptcy Code The filing was brought about by the debtor's failure to abide by certain borrowing covenants in its agreements with WestAmerica Bank, and the Bank's initiating foreclosure proceedings as a result thereof On September 5, 2012, the Bankruptcy Court approved the form of the debtor's Disclosure Statement and Reorganization Plan and ordered the same submitted to creditors for approval The Plan, as amended, was approved by creditors and confirmed by the Court on November 30, 2012 A final decree was entered in the case on August 15, 2013 Since the entry of the final decree, Brooks Restaurant Group, Inc has performed all of its obligations under the Plan, and ~~is on schedule to complete~~ the ~~Plan by~~plan was completed as of December 31, 2015 —

Item 5

INITIAL FRANCHISE FEE

You must pay a $35,000 00 lump sum franchise fee for each franchised outlet when you sign your Franchise Agreement Sometimes, the franchise fee is paid in installments or deferred until just before the franchised restaurant opens, if you need additional time to pay it BRGF may refund a portion of the initial franchise fee after deducting up to $10,000 00 as the cost of training and other expenses that BRGF has already incurred, if BRGF and you have not selected a location for your restaurant within one year of signing the Franchise Agreement BRGF keeps part of the franchise fee, but never more than $10,000, to cover its costs in trying to find a location for you

Item 6

OTHER FEES

Name of Fee	Amount	Due Date
Royalty [1,3]	Up to 4% of gross volume[2]	Payable monthly on the 15th day of the next month
Administration Contribution[1,3]	Up to 1% of gross volume[2]	Payable monthly on the 15th day of the next month

[1] All fees are imposed by and payable to BRGF All fees are non-refundable

[2] "Gross volume" means all revenue from the restaurant, except sales tax BRGF may reduce the royalty if you buy enough from BRGF's designated purveyors or if you maintain your restaurant in compliance with the Franchise Agreement, and it may reduce, defer or waive the royalty and the administration contribution when you suffer financial hardship

[3] These fees are payable only to BRGF and are not refundable Administration contributions are used by BRGF to pay administrative expenses and to promote its trade name

Item 7

YOUR ESTIMATED INITIAL INVESTMENT

Item	Amount	Method of Payment	When Due	To Whom Payable
Initial franchise fee [4]	$35,000	Lump sum	At signing of franchise agreement	BRGF
Training and living expenses	$15,000 -$25,000	As incurred	During training	Hotels, etc
Excess construction Costs and tenant improvments[5]	$75,000 -$125,000	Lump sum	Before opening	BRGF
Advance rent [5]	$15,000 -$18,750	Lump sum	Before opening	Landlord or BRGF
Equipment [6]	$50,000 -$450,000	Lump sum or financed	Before opening	Vendors
Misc costs [7]	$3,000 -$5,000	Lump sum	As incurred [8]	Suppliers, etc
Opening inventory [8]	$20,000 -$30,000	Lump sum	COD or 30 day terms	Vendors
Additional funds for 3 months operations [9]	$25,000 -$50,000	As incurred	As incurred	Employees, Suppliers, etc
Architectural Plans	Up to $30,000	Lump Sum	COD or 30 day terms	To Be Determined
Total	$268,000 -$768,750			

[4] See Item 5 for the conditions when this fee is partly refundable BRGF does not finance any fee

[5] If you lease your restaurant directly from a landlord, you will probably have to pay the rent for the first month and a one month security deposit about 90 days before you take possession You will pay this money to BRGF, if you sublease your restaurant from BRGF If you pay a landlord, this amount will be refundable if your lease says so If you pay BRGF, this amount is fully refundable if you and BRGF cancel the sublease before you take possession Otherwise, the rent for the first month is not refundable, and the security deposit is refundable at the end of the sublease, if you have paid all the rent due Typical locations are commercial areas with residential areas close by The typical restaurant has 3,000 - 5,000 square feet Fixed rent is estimated between $85,000 - $120,000 per year, depending on factors such as size, condition and location of the leased premises Landlords typically furnish a building allowance for new construction which often does not cover all required construction items BRGF estimates the usual shortfall at between $55,000 - $70,000 The shortfall is payable to your landlord, if you directly lease your outlet, otherwise, it is payable to BRGF, as your sublessor

[6] Equipment, including signs, costs between $50,000 - $450,000 BRGF will give you a complete description of all necessary equipment and a list of Designated Purveyors You must purchase your equipment from a Designated Purveyor, but you may designate a vendor and if this vendor qualifies as a Designated Purveyor by BRGF, you may purchase your equipment from that Designated Purveyor Many banks will lend up to 80% of the cost of new restaurant repayable over 5 years with interest at between 10-15% per annum Most vendors require a 20% down payment with the order and the balance at the time of delivery, which is usually during the 60 days before the restaurant opens If you finance 80% of your equipment, your monthly payment will be between $4,500 - 5,400, but may be higher, depending on the rate of interest charged Money paid to an equipment vendor is not refundable, unless your contract with the vendor says so If your restaurant location is already equipped, than your equipment costs will be significantly reduced

[7] Miscellaneous costs include business license, sales tax permit, utility deposits, cost of insurance binders, sales tax bond, fictitious name statement filing and publication, building plans, etc These costs are not refundable

[8] BRGF will give you a list of Designated Purveyors You must purchase your food, beverage and supply items used in your restaurant from a Designated Purveyor, but you may designate a vendor and if this vendor qualifies as a Designated Purveyor by BRGF, you may purchase your food, beverage and supply items from that Designated Purveyor Some vendors will only sell COD to new businesses Most will allow 30 days from delivery for payment Money paid to food and supply vendors is usually not refundable

[9] When your restaurant opens, you will receive revenue from sales Since, in most cases, you will have 30 days to pay for your inventory, you can pay your operating expenses from your sales But if your business opens slowly, you may have to invest an additional $25,000 - $50,000 for payroll, taxes, advertising, insurance and other operating costs What you pay for these operating costs is not refundable BRGF estimates these amounts and cannot guarantee that you will not have

additional expenses starting the business Your expenses will depend on factors such as how well you follow BRGF's methods and procedures, your management skill, experience and business acumen, local economic conditions, competition, and the sales level reached during the initial period

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

When you sign your Franchise Agreement, BRGF will give you a list of Designated Purveyors from whom you must purchase all of your restaurant equipment, and most of your food, beverages and supply items used in the operation and maintenance of your restaurant BRGF will periodically update its list of Designated Purveyors and furnish you updated lists as they are changed Brook's Restaurant Group, Inc , makes proprietary meat products which are distributed by a Designated Purveyor Brook's Restaurant Group, Inc , does not have an ownership interest in the Designated Purveyor Brook's Restaurant Group, Inc , received revenues from these sales for the year ending June 30, ~~2015~~2016 in the amount of $~~2,472,216~~1,856,348 (See Exhibit "E" at p 4) BRGF will have no financial interest or ownership interest in any Designated Purveyor, nor shall it receive any secret or undisclosed rebates or other consideration from any Designated Purveyor, except for promotional allowances If you give BRGF notice sufficiently in advance to permit vendor and specification verification and testing, that you wish to purchase equipment, food, beverages or supplies from reputable, dependable sources other than BRGF's Designated Purveyors, BRGF will not unreasonably withhold the prompt approval of such vendor as a Designated Purveyor from whom you may purchase goods, provided the goods conform to the appearance, quality, size or portion, and where applicable, taste and uniformity standards and other of BRGF's specifications BRGF may require that samples from alternative vendors be delivered to it or to an independent testing laboratory designated by BRGF for testing before approval and use You may have to pay a charge, not to exceed the actual cost of testing, incurred to test the products of any vendor you wish to have approved as a Designated Purveyor

We and our affiliates participate in a marketing program sponsored by The Coca-Cola Company or its affiliates You must participate in the program and purchase Coca-Cola post-mix soft drink products and certain other beverages and products, such as Minute Maid Juice and Gold Coast Coffee and Tea for use at your location You may purchase these products from JD Food Coca-Cola Fountain or its affiliates currently pays us or our affiliates amounts based on purchases by each franchisee We may use these funds to develop and implement marketing and promotional activities designed to benefit the entire system of Huckleberry's, and to increase the sale of Coca-Cola products at all stores These funds will not reduce the payments you must make to us as fee payments under the Franchise Agreement

Item 9

FRANCHISEE'S OBLIGATIONS

This table lists your main obligations under the Franchise Agreement and will help you find more information about them in the Franchise Agreement and in this disclosure document

Obligation	§ in Franchise Agreement	Item in Disclosure Document
Site selection & lease acquisition	2(E) & 8(A)(8)	Items 7, 11
Pre-opening purchases & leases	8(A)(11)-(13)	Items 7, 11
Site development & other requirements	None	None
Initial & ongoing training Opening	8(A)(14) 8(A)(6)	Item 11 Item 11
Fees	3(A),(B),(E), (F), 8(A)(10)	Item 6
Compliance w/standards, policies and manuals	6(A), 6(B)(2), 6(C)-(D), 8(A)(9)	Items 8, 11
Trademarks & proprietary Matters	1(C), 2(D), 8(A)(1)	Item 13
Restrictions on products & services	6(D), 8(A)(2)-(3)	Items 8,16
Warranty & customer service	6(A), 6(C)	None
Territorial development & sales quotas	None	None
Ongoing product & service Purchases	6(D)	Items 8 & 16
Maintenance, appearance & remodeling requirements	6(A), 6(B)(2)-(3), 6(C)	None
Insurance	3(D), 4(B)	None
Advertising	8(A)(7)	None
Indemnification	1(E), 4(A)	None
Owner's participation in management & staffing	8(A)(6)	Item 15
Records & reports	3(B)(3), 5(A)-(B)	None
Inspections & audits	5(B)	None
Transfer	10(E)	Item 17
Renewal	None	None
Post-termination obligations	9(C)(3), 9(D), 10(E)	None
Non-competition	2(D)	Item 12
Dispute resolution	12(D)	
Participation in gift card program	8(A)(15)	None
Restrictions on Electronic Communications	8(A)(16)	None
Other [describe]	None	None

Item 10

FINANCING

BRGF does not offer direct or indirect financing BRGF does not guarantee your note, lease or obligation to any third party

Item 11

FRANCHISOR'S OBLIGATIONS

Except as disclosed below, BRGF need not provide any assistance to you

Before you open your business, BRGF will

1 Help you find a restaurant location and obtain a lease or sublease for it The location must be acceptable to you and BRGF The factors BRGF considers in selecting or approving locations are the general location and neighborhood, traffic patterns, parking, competition in the area, building size, and lease terms BRGF does not own any locations If you cannot negotiate a lease yourself, because, for example, you don't have sufficient assets to satisfy the landlord's requirements, BRGF may sublet the site to you [Franchise Agreement - § 7(A)(1)-(2)]

2 If you and BRGF don't agree on a location within one year after you sign the Franchise Agreement, you may cancel the Agreement and get back your initial franchise fee, less not more than $10,000 00 to cover BRGF's costs in trying to find an acceptable location [Franchise Agreement - § 2(E)]

3 Once a location is found, you and BRGF will agree on your exclusive territory [Franchise Agreement - § 2(C)-(E)]

4 BRGF will provide you a building plan for the restaurant, a list of required equipment you will need, names of Designated Purveyors who sell this equipment, and advice about financing the equipment, if you don't intend to pay all cash [Franchise Agreement - § 7(A)(3)-(4) & (6)] BRGF will also assist in the supervision of the installation of your equipment [Franchise Agreement - § 7(A)(5)] You will reimburse BRGF for the cost of the building plan

5 BRGF will advise you of products you must sell and use and the Designated Purveyors of those products [Franchise Agreement - § 6(D) & 7(B)(1)-(4)]

6 The typical length of time between the signing of the Franchise Agreement and the

opening of your business is between three to fifteen months, depending on when the location is agreed to and whether the restaurant building is already built The typical length of time to negotiate a lease or sublease, get governmental approval for a restaurant building, and have it built is twelve months The factors that affect this time are the ability to obtain a lease or sublease, financing arrangements, getting a building permit, complying with zoning and local ordinances, weather conditions, material shortages, and delay in installation of equipment, fixtures and signs

After you open your business, BRGF will

7 Supervise your opening, provide you a representative for consultation whenever you want, and prevent others from unlawfully using the "Huckleberry's" trade name [Franchise Agreement - § 7(B)(5)-(7)]

8 Advise you periodically of the food products and supplies you must use in your business and the Designated Purveyors who sell them [Franchise Agreement - § 6(B)]

BRGF does not have to spend any money on advertising in your area

You are required to have an Aloha POS [point of sale] system in your restaurant BRGF is not obligated to help you in obtaining this equipment It must be purchased from BRGF's Designated Purveyor

The royalty and administrative contribution you must pay to BRGF are described in Item 6 of this disclosure document

For at least six weeks, and for at least eight hours per day, five days per week, you or any approved manager, must participate in on-the-job training at a "Huckleberry's" restaurant, which training must be completed at least ninety days before you open your restaurant BRGF does not provide any classroom type training If there is more than one training site available, BRGF will pick the site most convenient to you You may have someone else take the training, if you have signed a one year employment agreement with that person You will not be paid for the training, and you will have to pay your own travel and living expenses during training [Franchise Agreement - § 8(A)(14)]

You will be trained by a qualified unit manager, breakfast-lunch type restaurant manager or designated franchisee, who must have at least six months experience in running a breakfast-lunch type restaurant Your training will be supervised by R T Brooks, who has more than thirty years' experience in the restaurant business Training is mandatory and must be completed to BRGF's satisfaction Training consists of

Subject	Instructional Material	Hours of OJT
Opening & closing procedures	Manual, products, equipment	10
Food handling, storage & cooking Procedures	Manual, products, equipment	60

Produce, dairy & bakery purchasing, handling & serving procedures	Manual, products, equipment	10
Food preparation & presentation	Manual, products, equipment	60
How & when to order food products & supplies	Manual, order guide	10
Customer relations	Manual	10
Employee relations pamphlets	Manual, labor laws & pamphlets	10
Premises security & money handling	Manual, equipment	10
Kitchen equipment use, maintenance & repair	Manual, brochures, equipment	10
Health Dept requirements	Manual, regulations	8
Advertising	Manual, advertising media	8
Efficient use of utilities	Manual, utility company Materials	8
Checking out, banking, accounting	Manual, forms, bank materials	8
Restaurant safety	Manual, regulations, insurance materials	10

No additional training is required, but you may take more training at any time

The following is the table of contents of BRGF's training manual

"Huckleberry's" Manager
Training Manual

§ 1 Tour franchisor's facilities and office
§ 2 Orientation - receipt of cook & server, task guide, recipes & hostess/host manuals
§ 3 Dish room operations
§ 4 Food preparation
§ 5 Food production
§ 6 Food service
§ 7 Administration matters - opening and closing procedures, ordering goods, customer relations, employee relations, handling money, advertising, safety, utilities
§ 8 Restaurant equipment - use, care and maintenance
§ 9 Cleaning the restaurant

§10 Tests

Item 12

TERRITORY

You will receive an exclusive territory in which only you may use the "Huckleberry's" trade name and service mark This territory will either be described on a map attached to your Franchise Agreement or will be a circular area around your restaurant location as specified in your Franchise Agreement The size of your territory will depend on the general location of your restaurant Typically, in a densely populated area [commercial, with adjacent residential] the airline radius of your circle of territorial protection will be five miles You do not have to achieve any sales goals or meet other criteria to keep your exclusive territory

BRGF sells "Cool Hand Luke's" franchises "Cool Hand Luke's" is a steakhouse restaurant serving lunch and dinner These restaurants compete with "Huckleberry's" restaurants BRGF may establish "Cool Hand Luke's" restaurants within your territory, but not within a two mile airline radius around your restaurant BRGF sells "Perko's Cafe & Grill" franchises "Perko's Cafe & Grill" is a restaurant serving breakfast, lunch and dinner These restaurants also compete with "Huckleberry's" restaurants BRGF may establish "Perko's Cafe & Grill" restaurants within your territory, but not within a two mile airline radius around your restaurant

Item 13

TRADEMARKS

BRGF grants you the right to operate a restaurant under the name "Huckleberry's " Brooks Restaurant Group, Inc has registered this name, consisting of the word "Huckleberry's" cascading through a river scene with a steam boat above a branch of huckleberries with a full moon shining down, as a service mark with the California Secretary of State, Service Mark Registration No 63762, with a term extending to July 30, 2017 Brooks Restaurant Group, Inc has agreed to allow BRGF to use and franchise this trade name and service mark No one else may use this trade name and service mark without the permission of Brooks Restaurant Group, Inc and BRGF Brooks Restaurant Group, Inc and BRGF have used this trade name and service mark since July 30, 2007, and claim proprietary rights based on this use

Under your Franchise Agreement [§ 7(B)(7)], BRGF must protect your right to use the trade name and service mark "Huckleberry's," as described above, and BRGF must protect and indemnify you from the unauthorized use of that trade name and service mark by anyone else BRGF has the right to control proceedings and litigation involving trade name and service mark infringements

Except as indicated above, BRGF has no knowledge of superior rights to or infringing uses of the trade name and service mark "Huckleberry's" that could materially affect your use of that trade name and service mark

Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents or copyrights are material to the franchise

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

The Franchise Agreement requires you or your designated manager to participate personally in the management and operation of the "Huckleberry's" restaurant by devoting your full time, energy and best efforts to the business Based on our years of experience, we believe your substantial attention to the daily operation of the restaurant is an important element for the operation of your "Huckleberry's" restaurant Your on-premises supervision of your employees and business activities is a mainstay of our franchise system Your restaurant must be directly managed by a designated individual who has successfully completed our training program Your designated initial manager is required to satisfactorily complete our training program Your designated manager is not required to have an equity interest in your business

At our request, you, or, if you are an entity, your entity owners and managers, must sign our Confidentiality Agreement attached to the Franchise Agreement In part, the Confidentiality Agreement prohibits you from reproducing or distributing our confidential information, and it requires you to maintain at least the same level of security for our confidential information as you maintain for your own The Confidentiality Agreement will remain in force for the lesser of five (5) years or the longest time permitted by applicable law Confidential information about our food and beverage recipes, lists of ingredients and preparation and serving instructions will remain secret and confidential forever Individuals who are managers or who have access to our confidential information must also sign a Confidentiality Agreement Those managers and employees will be required to acknowledge that the confidential information remains our property and that the confidential information may only be used to further your business activities as a Franchisee

Item 16

RESTRICTIONS ON WHAT FRANCHISEE MAY SELL

You must serve the food items on BRGF's prescribed menus BRGF also controls the quality of graded products you use and sell, as disclosed in Item 8 of this disclosure document

Item 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

This table lists important provisions of the Franchise Agreement You should read these provisions in the Franchise Agreement attached to this disclosure document

Provision	§ in Franchise Agreement	Summary
Term of the franchise	2(A)	Equal to the term of your Lease or sublease
Renewal or extension of term	None	
Requirements for you to renew Or extend	None	
Termination by you	10(D)	You may terminate, but this gives BRGF the right to buy your business
Termination by BRGF Without cause	None	
Termination by BRGF with cause	10(B)	BRGF can terminate only if you default
"Cause" defined & defaults	10(A)-(B)	You have ~~3~~60 days after notice to cure defaults which can be cured under your Franchise Agreement, lease or sublease
"Cause" defined & defaults which cannot be cured	None	
Your obligations on Termination or non-renewal	11(C)-(D)	You must sell your business assets to BRGF, if BRGF elects to purchase them, and you must stop all uses of BRGF's trade name and name and service mark
Assignment of Franchise Agreement by BRGF	None	
"Transfer" by you - definition	11	Includes voluntary and involuntary transfers
BRGF's approval of transfer By you	11(E)	BRGF must approve any transfer but cannot unreasonably withhold consent
Conditions for BRGF's approval of transfer	11(E)	New franchisee must be adequately trained and if by

		RGF, you pay the cost
BRGF's right of first refusal to approval of transfer	None	
BRGF's option to purchase Your business	10(D)	BRGF may purchase your business without payment for good will if you cancel the Franchise Agreement
Your death or disability	11(D)-(E)	Personal representative must assume Franchise Agreement or sell the business in 12 months
Non-competition covenants during the term of the franchise Agreement	2(D)	BRGF may not use or license any of its trade names or service marks for use in part of your exclusive territory
Non-competition covenants After the franchise is Terminated or expires	None	
Modification of the Franchise Agreement	12(C)	Requires your written consent
Integration/merger clause	12(C)	Only the terms of the Franchise Agreement are binding [subject to state law, any other promises may not be enforceable
Dispute resolution by Arbitration or mediation	None	
Choice of forum	12(D)	Litigation must be in Fresno County,California
Choice of law	12(D)	California law applies

California Business and Professions Code §§ 20000 through 20043 provide rights to you 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

Item 18

PUBLIC FIGURES

BRGF does not use any public figure to promote its franchise

Item 19

EARNINGS CLAIMS

The Federal Trade Commission'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 Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances

BRGF does not make any representations about a franchise's future financial performance or the past performance of company-owned or franchised outlets BRGF also does not authorize its employees or representatives to make any such representations either orally or in writing If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Deborah Brooks, 530 E Herndon, Suite 105, Fresno, California 93720, telephone number (559) 485-8520, the Federal Trade Commission, and the appropriate state regulatory agencies

Item 20

LIST OF OUTLETS

~~Franchised Store Status~~System Wide Outlet Summary[10]
For Years ~~2015/~~2014~~/2013~~ ~~10~~-2016

Outlet Type	Year	Outlets at Start Of Year	Outlets at End of Year	Net Change
Franchised	2014	7	7	0
	2015	7	7	0
	2016	7	7	0
Company Owned	2014	0	0	0
	2015	0	0	0
	2016	0	0	0
Total Outlets	2014	7	7	0
	2015	7	7	0

10 All Numbers in Item 20 are as of June 30 of Each Year

	2016	7	7	0

Transfers of Outlets from Franchisees to New Owners (other than Franchisor)
For Years 2014-2016

State	Year	Total Number of Transfers	~~Cancelled or Terminated~~	~~Not Renewed~~	~~Reacquired by BRGF~~	~~Left the System~~	~~Totals from left columns~~	~~Franchises Operating at Year End~~
Franchised ~~CA~~	~~0/0/0~~2014	~~0/0/0~~	~~0/0/0~~	~~0/0/0~~	~~0/0/0~~	~~0/0/0~~	~~7/7/6~~	
	2015	0						
	2016	1						
Total Outlets	2014	~~0/0/0~~	~~0/0/0~~	~~0/0/0~~	~~0/0/0~~	~~0/0/0~~	~~0/0/0~~	~~7/7/6~~
	2015	0						
	2016	0						

Status of ~~Company-Owned Store~~Franchise Outlets
~~For the Years 2015/2014/2013~~ [10]

State	Year	~~Stores~~ Outlets at Start of~~Closed During~~ Year	~~Stores~~Outlets Opened ~~During Year Ending 6/30/13~~	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased for other reasons	~~Total Stores Operating~~Outlets at End of Year~~-End~~
CA	2014	7	~~0/0/0~~	~~0/0/0~~	~~0/0/0~~	0	0	7
	201	7	0	0	0	0	0	7

	5							
	2016	7	0	0	0	0	0	7
Totals	2014	7	0	0	0	0	0	7
	2015	7	0	0	0	0	0	7
	2016	7	0	0	0	0	0	7

~~[10] All numbers are as of June 30 of each year~~

Status of Company Owned Outlets

~~Projected Openings as of June 30, 2015~~

State	~~Franchise Agreement Signed But Store Not Open~~Year	~~Projected~~ Outlets at Start of Year~~Franchised New Stores in Next Fiscal Year~~	Outlets Opened	Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisees	~~Projected Company Owned Openings Next Fiscal Year~~Outlets at End of Year
CA	2014	~~0~~0	~~0~~0	~~0~~0	0	0	0
	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0
Totals	2014	0	0	0	0	0	0
	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0

Projected Openings

State	Franchise Agreement Signed But Store Not Opened	Projected Franchise Stores in Next Fiscal Year	Projected Company Owned Openings – Next Fiscal Year

California	0	0	0
Totals	0	0	0

The attached Exhibit A shows the names, addresses and telephone numbers of all "Huckleberry's" franchisees

Item 21

FINANCIAL STATEMENTS

Exhibit	Description
B	BRG Franchising, Inc at 6/30/~~15~~16 [audited],
C	BRG Franchising, Inc at 6/30/~~14~~15 [audited],
D	~~Dynaco~~BRG Franchising, Inc at 6/30/~~13~~14 [audited],
E	Brooks Restaurant Group, Inc , and Subsidiary at 6/30/15 [compiled],
F	Brooks Restaurant Group, Inc , and Subsidiary at 6/30/14 [compiled],
G	~~Dynaco~~Brooks Restaurant Group, Inc ~~Consolidated~~ , and Subsidiary at 6/30/13 [compiled]

Item 22

CONTRACTS

A copy of the Franchise Agreement for use in California is attached as Exhibit H BRGF does not propose to use any other contracts or agreements, lease agreements, options or purchase agreements

Item 23

RECEIPT

Following the exhibits described above is a detachable document acknowledging receipt of a copy of this disclosure document by you

List of HUCKLEBERRY'S
Franchisees as of June 30, ~~2015~~2016

Store No /Name	Address	Tel No
#625 Da Bayou, L P	300 Five Cities Dr Pismo Beach, CA 93449	(805) 773-4117
#626 Mike & Lucy Ruiz	1083 E Champlain Ave Fresno, CA 93720	(559) 433-4840
#628 ~~C J Hucks~~Fairfield Huckleberrys, Inc	3101 Travis Blvd #B	(707) 427-3800 Fairfield, CA 94533
#635 Happy Bee's, Inc	3191 Geer Rd Turlock, CA 95380	(209) 634-4253
#636 Happy Bee's, Inc	2213 Yosemite Blvd Modesto, CA 95351	(209) 527-0872
#637 Mike & Lucy Ruiz	222 E Bullard Ave Fresno, CA 93710	(559) 440-9045
#629 C J Huck's, Inc	800 Southampton Rd Benecia, CA 94510	(707) 745-3739

Exhibit A

EXHIBIT B

BRG Franchising, Inc.

(A Wholly Owned Subsidiary of Brooks Restaurant Group, Inc)

Financial Statements

June 30, 2016

BRG Franchising, Inc.
Table of Contents to the Financial Statements
June 30, 2016

Jeffrey L. Carter
Certified Public Accountant
1355 11th Street
Reedley, California 93654
Telephone (559) 637-1675

Independent Auditor's Report

To the Stockholders of Brooks Restaurant Group, Inc
Regarding its wholly owned subsidiary BRG Franchising, Inc
Fresno, California

I have audited the accompanying financial statements of BRG Franchising, Inc , which comprise the balance sheet as of June 30, 2016, and the related statements of income and retained earnings and cash flows for the year then ended, and the related notes to the financial statements

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control Accordingly, I express no such opinion An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BRG Franchising, Inc as of June 30, 2016, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America

August 8, 2016

BRG Franchising, Inc.
Balance Sheet
June 30, 2016

ASSETS

Current assets	
Cash	$433,662
Franchise fees receivable, including $6,359 from related party and $17,496 from a significant customer	135,597
Total current assets	569,259
Property and equipment Automobile net of $10,504 accumulated depreciation	3,001
Total assets	**$572,260**

LIABILITIES and STOCKHOLDER'S EQUITY

Current liabilities.	
Accounts payable	$3,000
Accrued payroll and related expenses	23,709
Advance from parent company	7,684
Total current liabilities	34,393
Stockholder's equity·	
Common stock - no par value, 1,000 shares authorized, 1,000 shares issued and outstanding	1,000
Retained earnings	536,867
Total stockholder's equity	537,867
Total liabilities and stockholder's equity	**$572,260**

The accompanying notes are an integral part of these financial statements

BRG Franchising, Inc.
Statement of Income and Retained Earnings
For the Year Ended June 30, 2016

Revenue.	
Recurring franchise fees, including $110,094 from related party, and $218,612 from a significant customer	$1,257,960
Other income	70,580
Total revenue	1,328,540
Expenses.	
Payroll and related	817,120
General and administrative (including depreciation of $4,502)	490,373
Total expenses	1,307,493
Income before income taxes	21,047
Income tax expense	7,684
Net income	**13,363**
Beginning retained earnings	523,504
Ending retained earnings	**$536,867**

The accompanying notes are an integral part of these financial statements

BRG Franchising, Inc.
Statement of Cash Flows
For the Year Ended June 30, 2016

Cash flows from operating activities	
Net income	$13,363
Adjustments to reconcile net income to net cash flows from operating activities	
Depreciation	4,502
Other changes in operating assets and liabilities	
Franchise fees receivable	(32,311)
Accounts payable, accrued payroll and related expenses	(6,271)
Net cash used in operating activities	(20,717)
Cash flows from investing activities *(none)*	–
Cash flows from financing activities repayment of advance from parent company	(80,762)
Net decrease in cash	(101,479)
Cash at beginning of year	535,141
Cash at end of year	**$433,662**

Additional information no interest or taxes paid during the year

The accompanying notes are an integral part of these financial statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

BRG Franchising Inc (Company) is a wholly owned subsidiary of Brooks Restaurant Group, Inc (Parent Company) The Company was incorporated on August 1, 1991, under the laws of the State of California. The Company receives revenue from franchisees of Perko's (21 restaurants), Cool Hand Luke's (8 restaurants), and Huckleberry's (7 restaurants) in the form of franchise fees These fees are based upon a percentage of the franchisees' revenue from operation of their restaurants Of those restaurants at June 30, 2016, the Parent Company owned and operated one of them

Use of estimates

Preparing financial statements requires management to make estimates and assumptions These estimates and assumptions affect reported amounts of assets, liabilities, revenues, and expenses during the reporting period Actual results could differ from the estimates and assumptions used in preparing these financial statements

Statement of cash flows

The Company includes cash in banks and cash on hand as cash

Revenue and receivables

The Company earns fees based on revenues reported to it from franchisees The Company accrues fees for the month it receives a franchisee revenue report and collection is reasonably assured In all other cases the fees are recognized when collected from the franchisee

Initial franchise fees are reported as revenue when the restaurant is open and operational In all other cases the fee is deferred as a liability until such time

Management establishes an allowance for doubtful collections using write-off history, aging of certain amounts, or specific knowledge regarding some franchisees In management's opinion, franchise fees at June 30, 2016 are fully collectible

Automobile

The automobile is stated at cost Depreciation is computed using the straight-line method over its estimated three-year useful life

Income taxes

The Company along with the Parent Company files a consolidated Federal and California corporate income tax return The income tax expense allocated to the Company ($7,684) is the tax expense that the Company would pay if it filed a separate return The Parent Company is no longer subject to Federal or California income tax examinations for the fiscal years ending June 30, 2011 and prior

TRANSACTIONS WITH RELATED PARTIES

The Parent Company allocates a portion of the consolidated income tax to the Company (see Summary of Significant Accounting Policies) These and other transactions can generate a payable to or receivable from the Parent Company The Parent Company pays franchise fees Those fees and related franchise fees receivable are indicated on the statement of income and balance sheet

CONCENTRATIONS

The Company maintains its bank accounts with Chase

The Company derives its revenue and receivables from franchisees These receivables, generally, are unsecured These franchisees are located, primarily, in California

Happy Bees, Inc is a significant customer of the Company, and related amounts are indicated on the balance sheet and statement of income

SUBSEQUENT EVENTS

The Company evaluated subsequent events through the date the financial statements were available to to issued, which was August 8, 2016 There were no subsequent events that required recognition or disclosure in these financial statements other than the following the Parent Company is in discussions with a potential buyer regarding the sale of Company's operations, as well as the assets and operations of the Parent Company

EXHIBIT C

BRG Franchising, Inc.

(A Wholly Owned Subsidiary of Brooks Restaurant Group, Inc.)

Financial Statements

June 30, 2015

BRG Franchising, Inc.
Table of Contents to the Financial Statements
June 30, 2015

Jeffrey L. Carter

Certified Public Accountant

1355 11th Street

Reedley California 93654

Telephone (559) 637 1675

Independent Auditor s Report

To the Stockholders of Brooks Restaurant Group, Inc
Regarding its wholly owned subsidiary BRG Franchising Inc
Fresno California

Report on the Financial Statements

I have audited the accompanying financial statements of BRG Franchising, Inc , which comprise the balance sheet as of June 30 2015, and the related statements of income and retained earnings and cash flows for the year then ended and the related notes to the financial statements

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America this includes the design implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit I conducted my audit in accordance with auditing standards generally accepted in the United States of America Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements The procedures selected depend on the auditor s judgment, including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error In making those risk assessments the auditor considers internal control relevant to the entity s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity s internal control Accordingly I express no such opinion An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management as well as evaluating the overall presentation of the financial statements

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion

Opinion

In my opinion the financial statements referred to above present fairly in all material respects the financial position of BRG Franchising Inc as of June 30 2015 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America

August 18 2015

BRG Franchising, Inc.
Balance Sheet
June 30, 2015

ASSETS

Current assets	
Cash	$535,141
Franchise fees receivable, including $12,059 from related parties and $17,038 from a significant customer	103,286
Total current assets	638,427
Property and equipment Automobile net of $6,002 accumulated depreciation	7,503
Total assets	**$645,930**

LIABILITIES and STOCKHOLDER'S EQUITY

Current liabilities.	
Accounts payable	$4,358
Accrued payroll and related expenses	28,622
Advance from parent company	88,446
Total current liabilities	121,426
Stockholder's equity	
Common stock - no par value, 1,000 shares authorized, 1,000 shares issued and outstanding	1,000
Retained earnings	523,504
Total stockholder's equity	524,504
Total liabilities and stockholder's equity	**$645,930**

The accompanying notes are an integral part of these financial statements

BRG Franchising, Inc.
Statement of Income and Retained Earnings
For the Year Ended June 30, 2015

Revenue:	
Recurring franchise fees, including $150,118 from related parties, and $198,161 from a significant customer	$1,203,498
Other income	103,835
Total revenue	1,307,333
Expenses	
Payroll and related	803,824
General and administrative (including depreciation of $4,502)	481,591
Total expenses	1,285,415
Income before income taxes	21,918
Income tax expense	7,886
Net income	**14,032**
Beginning retained earnings	509,472
Ending retained earnings	**$523,504**

The accompanying notes are an integral part of these financial statements

BRG Franchising, Inc.
Statement of Cash Flows
For the Year Ended June 30, 2015

Cash flows from operating activities	
Net income	$14,032
Adjustments to reconcile net income to net cash flows from operating activities	
Depreciation	4,502
Other changes in operating assets and liabilities	
Franchise fees receivable	(7,982)
Accounts payable, accrued payroll and related expenses	2,574
Net cash provided by operating activities	13,126
Cash flows from investing activities *(None)*	-
Cash flows from financing activities Advances from parent company	88,446
Net increase in cash	101,572
Cash at beginning of year	433,569
Cash at end of year	**$535,141**

Additional information no interest or taxes paid during the year

The accompanying notes are an integral part of these financial statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization
BRG Franchising Inc (Company) is a wholly owned subsidiary of Brooks Restaurant Group, Inc (Parent Company) The Company was incorporated on August 1, 1991, under the laws of the State of California The Company receives revenue from franchisees of Perko's (22 restaurants), Cool Hand Luke's (8 restaurants), and Huckleberry's (7 restaurants) in the form of franchise fees These fees are based upon a percentage of the franchisees' revenue from operation of their restaurants Of those restaurants at June 30, 2015, the Parent Company owned and operated two of them

Use of estimates
Preparing financial statements requires management to make estimates and assumptions These estimates and assumptions affect reported amounts of assets, liabilities, revenues, and expenses during the reporting period Actual results could differ from the estimates and assumptions used in preparing these financial statements

Statement of cash flows
The Company includes cash in banks and cash on hand as cash

Revenue and receivables
The Company earns fees based on revenues reported to it from franchisees The Company accrues fees for the month it receives a franchisee revenue report and collection is reasonably assured In all other cases the fees are recognized when collected from the franchisee

Initial franchise fees are reported as revenue when the restaurant is open and operational In all other cases the fee is deferred as a liability until such time

Management establishes an allowance for doubtful collections using write-off history, aging of certain amounts, or specific knowledge regarding some franchisees In management's opinion, franchise fees at June 30, 2015 are fully collectible

Automobile
The automobile is stated at cost Depreciation is computed using the straight-line method over its estimated three-year useful life

Income taxes
The Company along with the Parent Company files a consolidated Federal and California corporate income tax return The income tax expense allocated to the Company ($7,886) is the tax expense that the Company would pay if it filed a separate return The Parent Company is no longer subject to Federal or California income tax examinations for the fiscal years ending June 30, 2010 and prior

TRANSACTIONS WITH RELATED PARTIES

The Parent Company allocates a portion of the consolidated income tax to the Company (see Summary of Significant Accounting Policies) These and other transactions can generate a payable to or receivable from the Parent Company The Parent Company pays franchise fees Those fees and related franchise fees receivable are indicated on the statement of income and balance sheet

CONCENTRATIONS

The Company maintains its bank accounts with Chase

The Company derives its revenue and receivables from franchisees These receivables, generally, are unsecured These franchisees are located, primarily, in California

Happy Bees, Inc is a significant customer of the Company, and related amounts are indicated on the balance sheet and statement of income

SUBSEQUENT EVENTS

The Company evaluated subsequent events through the date the financial statements were available to be issued, which was August 18, 2015 There were no subsequent events that required recognition or disclosure in these financial statements

EXHIBIT D

BRG Franchising, Inc.

(A Wholly Owned Subsidiary of Brooks Restaurant Group, Inc.)

Financial Statements
June 30, 2014

BRG Franchising, Inc. (A Wholly Owned Subsidiary of Brooks Restaurant Group, Inc)
Table of Contents to the Financial Statements
June 30, 2014

Jeffrey L. Carter

Certified Public Accountant
1355 11th Street
Reedley California 93654
Telephone (559) 637 1675

Independent Auditor's Report

To the Board of Directors
BRG Franchising, Inc (A Wholly Owned Subsidiary of Brooks Restaurant Group, Inc)
Fresno, California

Report on the Financial Statements

I have audited the accompanying financial statements of BRG Franchising, Inc (A Wholly Owned Subsidiary of Brooks Restaurant Group, Inc), which comprise the balance sheet as of June 30, 2014, and the related statements of income, retained earnings, and cash flows for the year then ended, and the related notes to the financial statements

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with *accounting principles generally accepted in the United States of America, this includes the design, implementation, and* maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit I conducted my audit in accordance with auditing standards generally accepted in the United States of America Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control Accordingly, I express no such opinion An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BRG Franchising, Inc (A Wholly Owned Subsidiary of Brooks Restaurant Group, Inc) as of June 30, 2014, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America

September 4, 2014

BRG Franchising, Inc. **(A Wholly Owned Subsidiary of Brooks Restaurant Group, Inc)**
Balance Sheet
June 30, 2014

ASSETS

Current assets	
Cash	$433,569
Franchise fees receivable, including $12,233 from related parties and $15,059 from a significant customer	95,304
Total current assets	528,873
Automobile, net of accumulated depreciation of $1,500	12,005
Total assets	**$540,878**

LIABILITIES and STOCKHOLDER'S EQUITY

Current liabilities Accounts payable ($8,916) and payroll and related payable ($21,490)	$30,406
Stockholder's equity	
Common stock - no par value, 1,000 shares authorized, 10 shares issued and outstanding	1,000
Retained earnings	509,472
Total stockholder's equity	510,472
Total liabilities and stockholder's equity	**$540,878**

The accompanying notes are an integral part of these financial statements

BRG Franchising, Inc. **(A Wholly Owned Subsidiary of Brooks Restaurant Group, Inc)**
Statement of Income and Retained Earnings
For the Year Ended June 30, 2014

Revenue	
Recurring franchise fees, including $173,884 from related parties, and $184,951 from a significant customer	$1,128,852
Other income	45,887
Total revenue	1,174,739
Expenses	
Payroll and related	472,976
General and administrative (including depreciation of $1,500)	659,167
Total expenses	1,132,143
Income before income tax expense	42,596
Income tax expense	16,968
Net income	**25,628**
Beginning retained earnings	515,640
Dividends paid to parent company	(31,796)
Ending retained earnings	**$509,472**

The accompanying notes are an integral part of these financial statements

BRG Franchising, Inc. **(A Wholly Owned Subsidiary of Brooks Restaurant Group, Inc)**
Statement of Cash Flows
For the Year Ended June 30, 2014

Cash flows from operating activities	
Net income	$25,628
Adjustments to reconcile net income to net cash flows from operating activities	
Depreciation	1,500
Franchise fees receivable and due from parent company	104,235
Accounts and franchise fees payable, and payroll and related payable	14,471
Net cash provided by operating activities	145,834
Cash flows from financing activities	
Purchase of automobile	(13,505)
Dividends paid to parent company	(31,796)
Net cash used in financing activities	(45,301)
Net increase in cash	100,533
Cash at beginning of year	333,036
Cash at end of year	**$433,569**

Other disclosures No cash was paid for interest nor income taxes during the year

The accompanying notes are an integral part of these financial statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies used in preparing the financial statements follows

Organization
BRG Franchising Inc (Company) (formerly known as Dynaco Franchising, Inc) is a wholly owned subsidiary of Brooks Restaurant Group, Inc (Parent Company) (formerly known as Dynaco, Inc) The Company was incorporated on August 1, 1991, under the laws of the State of California and changed its name to BRG Franchising, Inc during the current year The Company receives revenue from franchisees of Perko's (22 restaurants), Cool Hand Luke's (8 restaurants), and Huckleberry's (7 restaurants) in the form of franchise fees These fees are based upon a percentage of the franchisees' revenue from operation of their restaurants Of those restaurants at June 30, 2014, the Parent Company owned and operated two of them

Use of estimates
Preparing financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions These estimates and assumptions affect reported amounts of assets, liabilities, revenues, and expenses during the reporting period Actual results could differ from the estimates and assumptions used in preparing these financial statements

Automobile
The automobile is stated at cost Depreciation is computed using the straight-line method over the estimated three-year useful life of the auto

Revenue and expenses
The Company earns recurring franchise fees based on revenues reported to it from franchisees Initial franchise fees are recognized when the restaurant is open and operational

The Company accrues fees for the month it receives a franchisee revenue report and collection is reasonably assured In all other cases, the fees are recognized when collected from the franchisee

Management establishes an allowance for doubtful collections using write-off history, aging of certain amounts, or specific knowledge regarding some franchisees In management's opinion, franchise fees at June 30, 2014 are fully collectible

Statement of cash flows
The Company includes cash in banks as cash

Income taxes
The Company along with the Parent Company files a consolidated Federal and California corporate income tax return The income tax expense allocated to the Company ($16,968) is the tax expense that the Company would pay if it filed a separate return The Parent Company is no longer subject to Federal or California income tax examinations for the fiscal years ending June 30, 2009 and prior

PARENT COMPANY CLOSING OF CHAPTER 11 CASE OF THE FEDERAL BANKRUPTCY LAWS AND ITS EFFECT ON THE COMPANY

On November 16, 2011, the Parent Company filed a petition for relief under Chapter 11 of the federal bankruptcy laws in the United States Bankruptcy Court (Court) for the Eastern District of California On November 30, 2012, the Court confirmed the plan of reorganization for The Parent Company

On August 21, 2013, the Court entered a final decree closing the Chapter 11 bankruptcy case of the Parent Company Accordingly, the Parent Company is no longer operating under the supervision of the Court

RELATED PARTY TRANSACTIONS

The Parent Company allocates a portion of the consolidated income tax to the Company (see Summary of Significant Accounting Policies) These and other transactions can generate a payable to or receivable from the Parent Company

The Parent Company pays franchise fees Those fees and related franchise fees receivable are indicated on the statement of income and balance sheet

During the year, the Company purchased from Parent Company stockholders an automobile for $13,505

LEASE OBLIGATION

The Company currently leases office space, and its lease expires in February 2015 The remaining rent payments for the lease term are $26,560 Rent expense for the current year was $41,619

CONCENTRATIONS

The Company maintains its bank account with Chase

The Company derives its revenue and receivables from franchisees These receivables, generally, are unsecured These franchisees are located, primarily, in California

Happy Bees, Inc is a significant customer of the Company, and related amounts are indicated on the balance sheet and statement of income

SUBSEQUENT EVENTS

The Company evaluated subsequent events through the date the financial statements were available to be issued, which was September 4, 2014 There were no subsequent events that required recognition or disclosure in these financial statements

EXHIBIT E

Brooks Restaurant Group, Inc. and Subsidiary

Financial Statements

June 30, 2016

Brooks Restaurant Group, Inc. and Subsidiary

Table of Contents to the Financial Statements

June 30, 2016

Jeffrey L. Carter
Certified Public Accountant
1355 11th Street
Reedley, California 93654
Telephone (559) 637-1675

Accountant's Compilation Report

To the Stockholders of
Brooks Restaurant Group, Inc and Subsidiary
Fresno, California

Management is responsible for the accompanying financial statements of Brooks Restaurant Group, Inc and Subsidiary, which comprise the balance sheet at June 30, 2016, and the related statements of income and retained earnings and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management Accordingly, I do not express an opinion, conclusion, nor provide any form of assurance on these financial statements

August 11, 2016

Brooks Restaurant Group, Inc. and Subsidiary
Balance Sheet
June 30, 2016

ASSETS

Current assets	
Cash	$1,166,192
Accounts, franchise fees, and current notes receivable (including $71,095 from two significant customers)	184,948
Refundable income taxes	6,662
Inventory	40,554
Total current assets	1,398,356
Property and equipment	
Buildings and leasehold improvements	163,337
Equipment	833,759
Accumulated depreciation	(820,886)
Total property and equipment	176,210
Other assets	
Rent deposits and other	11,652
Deferred income tax benefit	246,300
Total other assets	257,952
Total assets	**$1,832,518**

See accompanying notes and accountant's compilation report

Brooks Restaurant Group, Inc. and Subsidiary
Balance Sheet
June 30, 2016

LIABILITIES and STOCKHOLDERS' EQUITY

Current liabilities	
Accounts payable	$29,052
Accrued expenses, including accrued payroll and related of $54,942	64,532
Unredeemed restaurant customer gift cards	161,800
Current portion of long-term debt	3,948
Total current liabilities	259,332
Long-term liabilities Long-term debt	12,805
Total liabilities	272,137
Stockholders' equity	
Common stock, Class A (voting) - no par value, 100,000 shares authorized, 25,000 shares issued and outstanding	684,172
Common stock, Class B (non-voting) - no par value, 50,000 shares authorized, none issued	–
Retained earnings	876,209
Total stockholders' equity	1,560,381
Total liabilities and stockholders' equity	**$1,832,518**

See accompanying notes and accountant's compilation report

Brooks Restaurant Group, Inc. and Subsidiary
Statement of Income and Retained Earnings
For the Year Ended June 30, 2016

Revenue	
Meat sales, all to one significant customer	$1,856,348
Company-operated restaurant sales	3,749,739
Recurring franchise fees, including $218,612 from a significant customer	1,147,866
Other income, including unredeemed gift cards of $134,645	637,259
Total revenue	7,391,212
Expenses	
Meat cost of sales	1,717,910
Food, supply, and other operating costs of Company-operated restaurants	3,455,229
General and administrative, including interest of $10,357, depreciation of $26,905, and write-off of related party notes receivable of $110,992	1,885,761
Total expenses	7,058,900
Income before income taxes	332,312
Income tax expense	97,023
Net income	**235,289**
Beginning retained earnings	640,920
Ending retained earnings	**$876,209**

See accompanying notes and accountant's compilation report

Brooks Restaurant Group, Inc. and Subsidiary
Statement of Cash Flows
For the Year Ended June 30, 2016

Cash flows from operating activities	
Net income	$235,289
Adjustments to reconcile net income to net cash flows from operating activities	
Depreciation and amortization	35,238
Deferred income tax	80,500
Other changes in operating assets and liabilities	
Accounts, franchise fees, and current notes receivable	(52,286)
Write-off of related party notes receivable	110,993
Inventory, prepaid expenses, and rent deposits and other	33,363
Refundable income taxes	(3,949)
Accounts payable, accrued expenses, and other liabilities	(408,761)
Net cash provided by operating activities	30,387
Cash flows from investing activities	
Purchase of property and equipment	(80,605)
Repayments of notes receivable	24,681
Net cash used in investing activities	(55,924)
Cash flows from financing activities repayment of long-term debt	(3,681)
Net decrease in cash	(29,218)
Cash at beginning of year	1,195,410
Cash at end of year	**$1,166,192**

Additional information Interest paid during the year, $10,357, income taxes paid during the year $20,472

See accompanying notes and accountant's compilation report

Brooks Restaurant Group, Inc. and Subsidiary

Notes to the Financial Statements

June 30, 2016

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Brooks Restaurant Group, Inc and its 100% subsidiary, BRG Franchising, Inc , are in the business of operating and franchising restaurants Both entities together are referred to as the Company in these financial statements The companies are organized under the laws of the state of California

The Company owns or franchises three types of restaurants Perko's (21 restaurants), Cool Hand Luke's (8 restaurants), and Huckleberry's (7 restaurants) Of those restaurants at June 30, 2016, the Company owned and operated one of them The Company earns fees from the franchisees, and these fees are based upon a percentage of the franchisees' revenue from operation of their restaurants

Consolidation and use of estimates

The financial statements include the accounts of Brooks Restaurant Group, Inc and its 100% owned subsidiary (BRG Franchising, Inc) All material intercompany transactions have been eliminated for financial statement presentation

Preparing financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions These estimates and assumptions affect reported amounts of assets, liabilities, revenues, and expenses during the reporting period Actual results could differ from the estimates and assumptions used in preparing these financial statements

Statement of cash flows

The Company includes cash in banks and cash on hand as cash

Revenue and receivables

Revenue from meat sales is recorded when shipped to the customer Revenue from this and restaurant sales is net of sales taxes imposed by state and local authorities The Company also earns recurring franchise fees based on revenue reported to it from franchisees The Company accrues fees for the month it receives a franchisee revenue report and collection is reasonably assured In all other cases, the fees are recognized when collected from the franchisee Initial franchise fees are recognized when the restaurant is open and operational

Management establishes an allowance for doubtful collections using write-off history, aging of certain amounts, or specific knowledge regarding some franchisees In management's opinion, franchise fees at June 30, 2016 are fully collectible

Inventories

Inventories are stated at the lower of cost or market and consist of restaurant food and supplies in company-operated stores

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment

Property and equipment are stated at cost Depreciation is computed using the straight-line method over the estimated useful lives of the assets However, the depreciable life does not extend beyond the term of a lease for leasehold improvements At June 30, 2016, the Company had construction-in-progress of $76,912 related to a new restaurant

Income taxes

Income taxes consist of two broad categories those amounts currently payable on the tax returns and those amounts deferred (deferred taxes) Deferred taxes are recorded for differences between the cost or basis of assets and liabilities for financial statement versus income tax purposes

LONG-TERM DEBT

Long-term debt is secured by a vehicle, payable in monthly principal and interest payments of $416, at an interest rate of 7% Future principal payments by June 30 fiscal yearend and (amount) are as follows 2017 ($3,948), 2018 ($4,233), 2019 ($4,539), and 2020 ($4,033)

LEASE OBLIGATIONS

The Company leases office space and the term is for five years The Company is also obligated under a number of noncancelable operating lease arrangements relating, primarily, to restaurant real property The typical real property lease provides for both minimum rent and a percentage rent which is based on gross sales by the related restaurant These leases generally contain renewal options, provide for escalation of the minimum rent under certain conditions, and usually provide that the lessees' pay certain expenses such as taxes, insurance, and maintenance

Rent expense for the year was $416,045

Future minimum operating lease payments are as follows

Year ending June 30,	
2017	$487,908
2018	329,508
2019	249,418
2020	93,512
2021	45,500
Future minimum lease payments	1,205,846
Less sublease rentals	(264,000)
Net future minimum lease payments	$941,846

INCOME TAXES

Income tax expense consists of the following

Current income tax expense	$16,523
Deferred income tax expense	80,500
Total income tax expense	$97,023

The Company's total deferred tax assets at June 30, 2016 are $273,400 and its total deferred tax liabilities are $27,100

The major items that produce net deferred tax assets and liabilities are depreciation, and, employment related Federal and California credit carryovers

The Company has around $159,000 of Federal and $101,000 of California credit carryovers to future years, with the credits beginning to expire in 2022

The Company is no longer subject to Federal or California income tax examinations by tax authorities for fiscal years ending June 30, 2011, and prior

RELATED PARTY TRANSACTIONS

Related party transactions pertain to the stockholders, and those amounts are listed on the balance sheet, statement of income, and cash flows statement, if applicable

CONCENTRATIONS

The Company maintains its primary bank deposit accounts with Chase

The Company has significant business relationships with Sysco for meat sales and Happy Bees, Inc for franchise fees The amounts related to these significant customers are listed on the balance sheet and statement of income

Accounts and notes receivable result from franchise fees and product sales to customers located throughout California and are, generally, unsecured

SUBSEQUENT EVENTS

The Company evaluated subsequent events through the date the financial statements were available to be issued, which was August 11, 2016 There were no subsequent events that required recognition or disclosure in these financial statements other than the following the Company is in discussions with a potential buyer regarding the sale of the Company's assets and operations

EXHIBIT F

Brooks Restaurant Group, Inc. and Subsidiary

Financial Statements

June 30, 2015

Brooks Restaurant Group, Inc. and Subsidiary
Table of Contents to the Financial Statements
June 30, 2015

Jeffrey L. Carter

Certified Public Accountant

1355 11th Street

Reedley California 93654

Telephone (559) 637 1675

Accountant's Compilation Report

To the Stockholders of
Brooks Restaurant Group, Inc and Subsidiary
Fresno, California

Management is responsible for the accompanying financial statements of Brooks Restaurant Group, Inc and Subsidiary, which comprise the balance sheet at June 30, 2015, and the related statements of income and retained earnings and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management Accordingly I do not express an opinion conclusion nor provide any form of assurance on these financial statements

August 23, 2015

Brooks Restaurant Group, Inc. and Subsidiary
Balance Sheet
June 30, 2015

ASSETS

Current assets:	
Cash	$1,195,410
Accounts, franchise fees, and current notes receivable (including $58,473 from two significant customers)	148,662
Refundable income taxes	2,713
Inventory	52,112
Prepaid expenses	28,705
Total current assets	1,427,602
Property and equipment:	
Buildings and leasehold improvements	163,337
Equipment	753,154
Accumulated depreciation	(793,981)
Total property and equipment	122,510
Other assets	
Notes receivable, including $68,575 from stockholders	119,674
Rent deposits and other	4,752
Deferred income tax benefit	326,800
Intangibles, net of $193,667 of accumulated amortization	8,333
Total other assets	459,559
Total assets	**$2,009,671**

See accompanying notes and accountant's compilation report

Brooks Restaurant Group, Inc. and Subsidiary
Balance Sheet
June 30, 2015

LIABILITIES and STOCKHOLDERS' EQUITY

Current liabilities	
Accounts payable	$243,781
Accrued expenses, including accrued payroll and related of $91,962	126,969
Unredeemed restaurant customer gift cards	293,395
Current portion of long-term debt	3,682
Total current liabilities	667,827
Long-term liabilities Long-term debt	16,752
Total liabilities	684,579
Stockholders' equity.	
Common stock, Class A (voting) - no par value, 100,000 shares authorized, 25,000 shares issued and outstanding	684,172
Common stock, Class B (non-voting) - no par value, 50,000 shares authorized, none issued	-
Retained earnings	640,920
Total stockholders' equity	1,325,092
Total liabilities and stockholders' equity	**$2,009,671**

See accompanying notes and accountant's compilation report

Brooks Restaurant Group, Inc. and Subsidiary

Statement of Income and Retained Earnings

For the Year Ended June 30, 2015

Revenue.	
Meat sales, all to one significant customer	$2,472,716
Company-operated restaurant sales	5,053,008
Recurring franchise fees, including $198,161 from a significant customer	1,053,380
Other income	509,178
Total revenue	9,088,282
Expenses	
Meat cost of sales	2,345,966
Food, supply, and other operating costs of Company-operated restaurants	4,624,200
General and administrative (including interest of $43,916)	1,622,566
Total expenses	8,592,732
Income before income taxes	495,550
Income tax expense	183,926
Net income	**311,624**
Beginning retained earnings	329,296
Ending retained earnings	**$640,920**

See accompanying notes and accountant's compilation report

Brooks Restaurant Group, Inc. and Subsidiary
Statement of Cash Flows
For the Year Ended June 30, 2015

Cash flows from operating activities	
Net income	$311,624
Adjustments to reconcile net income to net cash flows from operating activities	
Depreciation and amortization	21,816
Deferred income tax	134,700
Other changes in operating assets and liabilities	
Accounts, franchise fees, and current notes receivable	6,354
Inventory, prepaid expenses, and rent deposits and other	14,099
Refundable income taxes	135,909
Accounts payable, accrued expenses, and other liabilities	(163,210)
Net cash provided by operating activities	461,292
Cash flows from investing activities	
Purchase of property and equipment	(78,823)
Repayments of notes receivable	32,769
Net cash used in investing activities	(46,054)
Cash flows from financing activities New debt of $21,024 less payments of $590	20,434
Net increase in cash	435,672
Cash at beginning of year	759,738
Cash at end of year	**$1,195,410**

Additional information· Interest paid during the year, $43,916, no income taxes paid during the year

See accompanying notes and accountant's compilation report

Brooks Restaurant Group, Inc. and Subsidiary
Notes to the Financial Statements
June 30, 2015

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization
Brooks Restaurant Group, Inc and its 100% subsidiary, BRG Franchising, Inc , are in the business of operating and franchising restaurants Both entities together are referred to as the Company in these financial statements The companies are organized under the laws of the state of California

The Company owns or franchises three types of restaurants Perko's (22 restaurants), Cool Hand Luke's (8 restaurants), and Huckleberry's (7 restaurants) Of those restaurants at June 30, 2015, the Company owned and operated two of them The Company earns fees from the franchisees, and these fees are based upon a percentage of the franchisees' revenue from operation of their restaurants

Consolidation and use of estimates
The financial statements include the accounts of Brooks Restaurant Group, Inc and its 100% owned subsidiary (BRG Franchising, Inc) All material intercompany transactions have been eliminated for financial statement presentation

Preparing financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions These estimates and assumptions affect reported amounts of assets, liabilities, revenues, and expenses during the reporting period Actual results could differ from the estimates and assumptions used in preparing these financial statements

Statement of cash flows
The Company includes cash in banks and cash on hand as cash

Revenue and receivables
Revenue from meat sales is recorded when shipped to the customer Revenue from this and restaurant sales is net of sales taxes imposed by state and local authorities The Company also earns recurring franchise fees based on revenue reported to it from franchisees The Company accrues fees for the month it receives a franchisee revenue report and collection is reasonably assured In all other cases, the fees are recognized when collected from the franchisee Initial franchise fees are recognized when the restaurant is open and operational

Management establishes an allowance for doubtful collections using write-off history, aging of certain amounts, or specific knowledge regarding some franchisees In management's opinion, franchise fees at June 30, 2015 are fully collectible

Inventories
Inventories are stated at the lower of cost or market and consist of restaurant food and supplies in company-operated stores

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment

Property and equipment are stated at cost Depreciation is computed using the straight-line method over the estimated useful lives of the assets However, the depreciable life does not extend beyond the term of a lease for leasehold improvements Depreciation expense for the year was $19,628

Income taxes

Income taxes consist of two broad categories those amounts currently payable on the tax returns and those amounts deferred (deferred taxes) Deferred taxes are recorded for differences between the cost or basis of assets and liabilities for financial statement versus income tax purposes

LONG-TERM DEBT

Long-term debt is secured by a vehicle, payable in monthly principal and interest payments of $416, at an interest rate of 7% Future principal payments by June 30 fiscal yearend and (amount) are as follows 2016 ($3,682), 2017 ($3,948), 2018 ($4,233), 2019 ($4,539), and 2020 ($4,032)

LEASE OBLIGATIONS

The Company leases office space and the term is for five years The Company is also obligated under a number of noncancelable operating lease arrangements relating, primarily, to restaurant real property The typical real property lease provides for both minimum rent and a percentage rent which is based on gross sales by the related restaurant These leases generally contain renewal options, provide for escalation of the minimum rent under certain conditions, and usually provide that the lessees' pay certain expenses such as taxes, insurance, and maintenance

Rent expense for the year was $607,657

Future minimum operating lease payments are as follows

Year ending June 30,	
2016	$522,507
2017	433,308
2018	274,908
2019	194,818
2020	38,912
Future minimum lease payments	1,464,453
Less sublease rentals	(474,399)
Net future minimum lease payments	$990,054

INCOME TAXES

Income tax expense consists of the following

Current income tax expense	$49,226
Deferred income tax expense	134,700
Total income tax expense	**$183,926**

The Company's total deferred tax assets at June 30, 2015 are $398,800 and its total deferred tax liabilities are $72,000

The major items that produce net deferred tax assets and liabilities are depreciation, and, employment related Federal and California credit carryovers

The Company has around $252,000 of Federal and $88,000 of California credit carryovers to future years, with the credits beginning to expire in 2022

The Company is no longer subject to Federal or California income tax examinations by tax authorities for fiscal years ending June 30, 2010, and prior

RELATED PARTY TRANSACTIONS

Related party transactions pertain to the stockholders, and those amounts are listed on the balance sheet and statement of income, if applicable

CONCENTRATIONS

The Company maintains its primary bank deposit accounts with Chase

The Company has significant business relationships with Sysco for meat sales and Happy Bees, Inc for franchise fees The amounts related to these significant customers are listed on the balance sheet and statement of income

Accounts and notes receivable result from franchise fees and product sales to customers located throughout California and are, generally, unsecured

SUBSEQUENT EVENTS

The Company evaluated subsequent events through the date the financial statements were available to be issued, which was August 23, 2015 There were no subsequent events that required recognition or disclosure in these financial statements

EXHIBIT G

Brooks Restaurant Group, Inc. and Subsidiary

Financial Statements
June 30, 2014

Brooks Restaurant Group, Inc. and Subsidiary
Table of Contents to the Financial Statements
June 30, 2014
(Unaudited)

Jeffrey L. Carter
Certified Public Accountant
1355 11th Street
Reedley, California 93654
Telephone (559) 637 1675

Accountant's Compilation Report

To the Stockholders of
Brooks Restaurant Group, Inc and Subsidiary
Fresno, California

I have compiled the accompanying balance sheet of Brooks Restaurant Group, Inc and Subsidiary as of June 30, 2014, and the related statements of income and retained earnings and cash flows for the year then ended I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America Management is also responsible for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide assurance that there are no material modifications that should be made to the financial statements

September 8, 2014

Brooks Restaurant Group, Inc. and Subsidiary
Balance Sheet
June 30, 2014
(Unaudited)

ASSETS

Current assets	
Cash	$759,738
Accounts, franchise fees, and current notes receivable (including $71,104 from two significant customers)	160,216
Refundable income taxes	138,622
Inventory	57,395
Prepaid expenses	38,121
Total current assets	1,154,092
Property and equipment	
Buildings and leasehold improvements	163,337
Equipment	674,331
Accumulated depreciation	(774,353)
Total property and equipment	63,315
Other assets	
Notes receivable, including $70,243 from stockholders	147,243
Rent deposits and other	4,152
Deferred income tax benefit	461,500
Intangibles, net of $191,479 accumulated amortization	10,521
Total other assets	623,416
Total assets	**$1,840,823**

See accompanying notes and accountant s compilation report

Brooks Restaurant Group, Inc. and Subsidiary
Balance Sheet
June 30, 2014
(Unaudited)

LIABILITIES and STOCKHOLDERS' EQUITY

Current liabilities	
Accounts payable	$221,764
Accrued expenses, including accrued payroll of $78,984	112,251
Unredeemed restaurant customer gift cards	245,561
Total current liabilities	579,576
Long-term liabilities Settled accounts payable	247,779
Total liabilities	827,355
Stockholders' equity	
Common stock, Class A (voting) - no par value, 100,000 shares authorized, 25,000 shares issued and outstanding	684,172
Common stock, Class B (non-voting) - no par value, 50,000 shares authorized, none issued	–
Retained earnings	329,296
Total stockholders' equity	1,013,468
Total liabilities and stockholders' equity	**$1,840,823**

See accompanying notes and accountant s compilation report

Brooks Restaurant Group, Inc. and Subsidiary

Statement of Income and Retained Earnings

For the Year Ended June 30, 2014

(Unaudited)

Revenue	
Meat sales, all to one significant customer	$2,567,300
Company-operated restaurant sales	5,841,602
Recurring franchise fees, including $184,951 from a significant customer	954,968
Other	466,486
Total revenue	9,830,356
Costs and expenses	
Meat cost of sales	2,353,641
Food, supply, and other operating costs of Company-operated restaurants	5,467,048
Other operating expenses (including interest expense of $38,002)	1,645,537
Total costs and expenses	9,466,226
Income before income tax expense	364,130
Income tax expense	26,618
Net income	**337,512**
Beginning retained earnings deficit	(8,216)
Ending retained earnings	**$329,296**

See accompanying notes and accountant s compilation report

Brooks Restaurant Group, Inc. and Subsidiary

Statement of Cash Flows
For the Year Ended June 30, 2014
(Unaudited)

Cash flows from operating activities	
Net income	$337,512
Adjustments to reconcile net income to net cash flows from operating activities	
Depreciation and amortization	54,559
Gain on asset sale	(28,824)
Deferred income tax	6,800
Other changes in assets and liabilities that affect operating activities	
Accounts, franchise fees, and notes receivable	153,884
Inventory, prepaid expenses, and rent deposits and other	35,304
Refundable income taxes	(138,622)
Accounts payable, accrued expenses, and other liabilities	(367,620)
Net cash provided by operating activities	52,993
Cash flows from investing activities	
Purchase of property and equipment	(44,915)
Proceeds from sale of property and equipment	155
Advances to stockholders	(70,243)
Net cash used in investing activities	(115,003)
Net decrease in cash	(62,010)
Cash at beginning of year	821,748
Cash at end of year	**$759,738**

Other disclosures Interest paid during the year, $38,002, income taxes paid during the year, $158,440 A note in the amount of $82,000 was received and customer gift card liabilities relieved of $53,000 in consideration for the sale of inventory and a liquor license to a franchisee

See accompanying notes and accountant s compilation report

Brooks Restaurant Group, Inc. and Subsidiary
Notes to the Financial Statements
June 30, 2014
(Unaudited)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies used in preparing the financial statements follows

Organization
Brooks Restaurant Group, Inc (formerly known as Dynaco, Inc) and its 100% subsidiary, BRG Franchising, Inc (formerly known as Dynaco Franchising, Inc), are in the business of operating and franchising restaurants Both entities together are referred to as the Company in these financial statements The companies are organized under the laws of the state of California and changed their respective names during the current year

The Company owns or franchises three types of restaurants Perko's (22 restaurants), Cool Hand Luke's (8 restaurants), and Huckleberry's (7 restaurants) Of those restaurants at June 30, 2014, the Company owned and operated two of them The Company earns fees from the franchisees, and these fees are based upon a percentage of the franchisees' revenue from operation of their restaurants

Consolidation and use of estimates
The financial statements include the accounts of Brooks Restaurant Group, Inc and its 100% owned subsidiary (BRG Franchising, Inc) All material intercompany transactions have been eliminated for financial statement presentation

Preparing financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions These estimates and assumptions affect reported amounts of assets, liabilities, revenues, and expenses during the reporting period Actual results could differ from the estimates and assumptions used in preparing these financial statements

Revenue and receivables
Revenue from meat sales is recorded when shipped to the customer Revenue from this and restaurant sales is net of sales taxes imposed by state and local authorities The Company also earns recurring franchise fees based on revenue reported to it from franchisees The Company accrues fees for the month it receives a franchisee revenue report and collection is reasonably assured In all other cases, the fees are recognized when collected from the franchisee Initial franchise fees are recognized when the restaurant is open and operational

Allowance for doubtful collections
The allowance for doubtful collections is based on management's estimate of the doubtful collection of the Company's accounts and notes receivable Management uses write-off history, aging of the accounts, and specific knowledge regarding certain customers in recording the allowance and, ultimately, in writing off the accounts and notes receivable In management's opinion, all receivables are collectible

Statement of cash flows
The Company includes cash in bank and on hand as cash

Inventories
Inventories consist of restaurant food and supplies in company-operated stores

Inventories are stated at the lower of cost (using the first-in, first-out method) or market

Property and equipment
Property and equipment are stated at cost Depreciation is computed using the straight-line method over the estimated useful lives of the assets However, the depreciable life does not extend beyond the term of a lease for leasehold improvements Depreciation expense for the year was $44,936

Sale of franchises
The Company recognizes gain on the sale of restaurant franchises upon execution of the related franchise agreement The gain is recognized immediately only if the initial cash down payment received from the franchisee provides sufficient evidence of the buyer's commitment and ability to pay for the franchise package Otherwise, the Company uses the installment method of accounting whereby the gain is deferred and recognized ratably as the related receivable is collected When collection of the receivable is deemed to be reasonably assured (defined as collection of 25% of the original principal), the Company changes from the installment to the accrual method of accounting There were no sales of restaurant franchises nor outstanding installment sales with deferred gain at yearend

Income taxes
Income taxes consist of two broad categories those amounts currently payable on the tax returns and those amounts deferred (deferred taxes) Deferred taxes are recorded for differences between the cost or basis of assets and liabilities for financial statement versus income tax purposes

CLOSING OF CHAPTER 11 BANKRUPTCY PROCEEDINGS AND CONFIRMED PLAN OF REORGANIZATION

On November 16, 2011, Dynaco, Inc (now Brooks Restaurant Group, Inc) filed a petition for relief under Chapter 11 of the federal bankruptcy laws in the United States Bankruptcy Court (Court) for the Eastern District of California On November 30, 2012, the Court confirmed Dynaco's plan of reorganization On August 21, 2013, the Court entered a final decree closing the Chapter 11 bankruptcy case Accordingly, the Brooks Restaurant Group, Inc (formerly Dynaco, Inc) is no longer operating under the supervision of the Court

The confirmed plan settled liabilities at a fixed amount, with most of them being payable over 20 quarters from the confirmed date of the plan The settled amounts payable over the next year are reflected in accounts payable, current liabilities, on the balance sheet The remaining settled liabilities to be paid over time are under long-term liabilities on the balance sheet

LEASE OBLIGATIONS

The Company leases office space and the term is for three years The Company is also obligated under a number of noncancellable operating lease arrangements relating, primarily, to restaurant real property The typical real property lease provides for both minimum rent and a percentage rent which is based on gross sales by the related restaurant These leases generally contain renewal options, provide for escalation of the minimum rent under certain conditions, and usually provide that the lessees' pay certain expenses such as taxes, insurance, and maintenance

Rent expense for the year was $607,657

Future minimum operating lease payments are as follows

Year ending June 30,	Amount
2015	$614,296
2016	464,139
2017	374,940
2018	216,540
2019	136,450
Future minimum lease payments	1,806,365
Less sublease rentals	682,395
Net future minimum lease payments	$1,123,970

INCOME TAXES

Income tax expense consists of the following

Current income tax expense	$19,818
Deferred income tax	6,800
Total income tax expense	**$26,618**

Income tax expense above is below the statutory rate primarily because of employment tax credits reducing Federal income tax expense

The Company's total deferred tax assets at June 30, 2014, are $494,500 and its total deferred tax liabilities are $31,000

The major items that produce net deferred tax assets and liabilities are depreciation, and, employment related Federal and California credit carryovers

In management's opinion, no valuation allowance for deferred tax assets is needed

The Company has around $325,000 of Federal and $101,000 of California credit carryovers to future years, with the credits beginning to expire in 2022

The Company is no longer subject to Federal or California income tax examinations by tax authorities for fiscal years ending June 30, 2009, and prior

RELATED PARTY TRANSACTIONS

During the year, the Company purchased from the stockholders an automobile for $13,505

CONCENTRATIONS

The Company maintains its primary bank deposit accounts with Chase

The Company has significant business relationships with Sysco for meat sales and Happy Bees, Inc for franchise fees The amounts related to these significant customers are listed on the balance sheet and statement of income

Accounts and notes receivable result from franchise fees and product sales to customers located throughout California and are, generally, unsecured

SUBSEQUENT EVENTS

The Company evaluated subsequent events through the date the financial statements were available to be issued, which was September 8, 2014 There were no subsequent events that required recognition or disclosure in these financial statements

EXHIBIT H

"HUCKLEBERRY'S"
FRANCHISE AGREEMENT

In consideration of the mutual promises of the parties and other valuable consideration, it is agreed by and between BRG FRANCHISING, INC , a California corporation (hereinafter called the "Franchisor"), and ______________________________________ (hereinafter called the "Franchisee"), as follows

1 SCOPE AND PURPOSE OF THE AGREEMENT

(A) The Franchisee desires to own and operate a "Huckleberry's" restaurant at location to be presently or hereafter selected by mutual agreement of the parties (said restaurant to be a facility comprised of a restaurant building or premises within a shopping center building and related fixtures and equipment and referred to herein sometimes as the "Restaurant") The parties' desires to have the Restaurant operate as a "Huckleberry's" restaurant utilizing the "Huckleberry's" menu, trade name and service mark

(B) The Franchisor grants to the Franchisee for the term of this agreement the right to use the "Huckleberry's" trade name and service mark at the Restaurant, and the Franchisor further authorizes the Franchisee to use, during the term hereof, that trade name and service mark in the format (e g , letter style and colors) designated by the Franchisor, along with the Franchisor's theme, music selection, recipes, methods of food preparation, decoration and service at the Restaurant, subject to the terms and conditions as contained in this agreement

(C) The Franchisee agrees that this Agreement confers upon the Franchisee no proprietary right, title or interest in the trade name and service mark, but only in the right to the use thereof during the term of this Agreement

(D) The Franchisee is not for any purpose an employee or agent of the Franchisor All of the personnel employed by the Franchisee at the Restaurant are employees or agents of the Franchisee, and not of the Franchisor The Franchisee does not have authority to sign contracts, notes or obligations, to make purchases, or to acquire or to dispose of any property for or on behalf of the Franchisor The Franchisee will have the sole responsibility for the hiring, day-to-day management, evaluation, discipline, and termination of the Franchisee's employees

(E) The Franchisee agrees to defend and indemnify the Franchisor, its parent and its affiliates against, and hold them harmless from, any contract , tort or other claims, obligations or liabilities, of any kind whatsoever, asserted against or imposed on the Franchisor, its parent and its affiliates, as a consequence of the operation of the Restaurant or the Franchisee's failure for any reason to fully inform any third person of the Franchisee's lack of authority to bind the Franchisor, its parent and its affiliates

(F) The Franchisee agrees that the Franchisor has established a method and system (the "System") for the development and operation of "Huckleberry's" which includes, without limitation The marks "Huckleberry's" and all related names, trademarks, service marks, logos, copyrights and associated goodwill (the "Proprietary Marks"), distinctive themes, including music selected, building designs, decor, color schemes and trade dress and signage, an operating manual incorporating required standards, procedures, policies, and techniques, secret food formulae, and advertising, marketing and promotional programs, and Franchisee agrees that he shall be bound to comply with the continued use all of the above set forth items

(G) Without the prior consent of the Franchisor, the Franchisee shall not deviate from the "Huckleberry's" concept, theme as described in the Compliance Manual provided to Franchisee, designated theme music and other specifications as set forth in the Compliance Manual In the event the Franchisor updates or changes the Compliance Manual, Franchisee agrees to bring himself into compliance with all such changes within a reasonable time, not to exceed 120 days

2 TERM, LOCATION AND TERRITORY

(A) The term of this Agreement shall be fifteen (15) years but shall be automatically extended or shortened to coincide with the term of the lease or sublease under which the Franchisee obtains the right to occupy the Restaurant, including any additional time provided by lease or sublease options which are exercised, so that this Agreement and the Franchisee's right to occupy the Restaurant shall end at the same time However, the term of this Agreement and the obligation of the Franchisee to perform hereunder is not contingent upon the continued existence of the lease or sublease under which the Franchisee occupies the Restaurant, and a termination of such lease or sublease by the voluntary act of the Franchisee or by reason of the default of the Franchisee shall be a breach of this Agreement, entitling the Franchisor to all of the rights described in Section 10 of this Agreement The term of this Agreement shall commence on the date of execution hereof, and it shall be automatically extended for a period of time equal to the lapse of time between the execution hereof and the first day that the Franchisee is open for business at the Restaurant

(B) This Agreement shall be performed by the Franchisee at a location known as

____

(C) The foregoing location is situated in a territory described (i) on the map attached hereto and incorporated herein/ (ii) as follows (strike out inapplicable language)

____

____

____

(D) Without the prior written consent of the Franchisee, the Franchisor shall neither itself use, nor shall it license the "Huckleberry's" trade name and service mark to any other person, partnership, corporation or other entity for use in the territory described in paragraph (C) of this Section 2 while this Agreement remains in force Furthermore, without the prior written consent of the Franchisee, the Franchisor shall neither itself use, nor shall it license any of its other trade names and servıces marks to any other person, partnershıp, corporatıon or other entıty for use wıth an area havıng the Restaurant as ıts center and havıng a two mıle aırlıne radıus

(E) (Strıke out ıf not applıcable) As of the date hereof the partıes have not selected eıther a locatıon or a terrıtory whereın the subject Restaurant ıs to be sıtuated Such fact shall ın no way ınvalıdate thıs Agreement The partıes wıth due dılıgence and usıng theır best efforts shall seek to select an agreeable locatıon and terrıtory, and upon such selectıon the ınformatıon pertaınıng to the same shall be ınserted ın paragraphs (B) and (C) above If no locatıon has been selected wıthın twelve (12) months followıng the Franchısee's executıon hereof, then, upon wrıtten demand from the Franchısee, the Franchısor shall refund to the Franchısee all but up to Ten Thousand Dollars ($10,000 00) of the ınıtıal franchıse fee The amount of up to $10,000 may be retaıned by the Franchısor ın payment for servıces rendered, and thıs Agreement shall be of no further force and effect

3 INITIAL PAYMENT, FEES AND OTHER CHARGES

(A) The Franchısee shall pay to the Franchısor ın addıtıon to any other payment requıred by thıs Agreement an ınıtıal franchıse fee of _____________, payable

____

____

(B) Begınnıng wıth the first day upon whıch the Franchısee does busıness at the subject Restaurant and durıng the term of thıs agreement, the Franchısee shall pay to the Franchısor a contınuıng royalty of up to four (4%) percent of hıs gross volume The Franchısor reserves the rıght, ın ıts sole dıscretıon, to suspend, waıve, defer or modıfy the contınuıng royalty provıded for hereın, but ın no event shall ıt ever exceed four (4%) percent of monthly gross volume

(1) If Franchısee maıntaıns the operatıons of the "Huckleberry's" ın complıance wıth all of the requırements of thıs Agreement, the royalty for each full or partıal month shall be reduced by one-half of one percent (1%) of gross volume for that month Should the Franchısor determıne that the Franchısee ıs not ın complıance wıth any provısıon of thıs Agreement, the Franchısor shall gıve ten (10) days' notıce non-complıance Should Franchısee not take full remedıal actıon wıthın that ten (10) days, the reductıon set out hereın shall not apply

(2) Payment of the royalty descrıbed above shall be made to the Franchısor at ıts address set forth ın Sectıon 12 monthly ın arrears for each month, or fractıonal month, to be delıvered or maıled by the Franchısee so that ıt ıs receıved by the Franchısor not later than the 15th day of the month followıng the month for whıch the royalty applıes

(3) The term "gross volume" ıncludes all sources of revenue derıved by the Franchısee from the franchısed busıness, except sales tax

(4) Before the fifteenth (15th) day of each month, the Franchisee shall prepare and forward to the Franchisor a record of total daily gross volume, including sales tax, for the preceding month, or fractional part thereof

(5) Delinquent royalties shall bear interest at the highest legal rate of interest

(C) The Franchisee agrees to pay all use, business, personal property, sales, transfer and other taxes relating to or arising from the existence or operation of the franchised business, including real property taxes, if required to do so by the lease or sublease for the Restaurant

(D) The Franchisee agrees to pay when due the premiums and any increases thereof for the insurance described in Section 4

(E) During the term of this Agreement the Franchisee shall pay to the Franchisor in addition to all the amounts heretofore specified in this Section 3 an administrative contribution not to exceed one per cent (1%) percent of the Franchisee's gross volume Administrative contributions shall be used by the Franchisor to defray administrative expenses incurred directly and indirectly by the Franchisor in the performance of its obligations hereunder, to advertise and promote the trade name "Huckleberry's" and to defray the cost of any program, device or thing determined by the Franchisor to be helpful in creating greater sales, more efficient operations or better quality, control and service in "Huckleberry's" restaurants The time and manner of payment of the administration contribution herein specified shall be the same as described in Paragraph (B)(2) of this Section 3 The amount of the contribution, subject to the limitations set forth above, shall be as is from time to time specified by the Franchisor The Franchisor may charge different Franchisees different amounts, and no Franchisee shall have any right to limit his contribution by reason of different charges to other Franchisees The Franchisor shall be under no obligation to match franchisee administrative contributions with its own revenues because of benefits conferred on the Franchisor by reason of the receipt and expenditure of said monies The Franchisor reserves the right, in its sole discretion, to suspend, defer or waive the administrative contribution provided for herein

(F) The Franchisee acknowledges that late payment or late and non-payment of monies due, or late and failure to furnish the Franchisor any report due from the Franchisee, will cause the Franchisor to incur costs not contemplated by this Agreement, the exact amount of which are extremely difficult to ascertain Accordingly, if any payment or report is not received when due or within five (5) days after written notice of default from the Franchisor, then the Franchisee shall pay to the Franchisor a late charge of $100 00 for each late or non-payment of money and for each late or non-submission of a report The parties agree that this late charge represents a fair and reasonable estimate of the costs that the Franchisor will incur by reason of such a default Acceptance of a late charge without the curing of the default as to which it relates shall not constitute a waiver of the Franchisee's default or prevent the Franchisor from exercising any of its other rights and remedies contained in this Agreement

(G) Pre-Authorized Bank Transfers The Franchisee will, from time to time during the term of this Agreement, execute such documents as the Franchisor may request to provide Franchisee's unconditional and irrevocable authority and direction to its bank or financial institution to transfer directly to the bank account of Franchisor or its parent or affiliates, and to charge the bank account of the Franchisee the amounts payable by the Franchisee to Franchisor, or to its parent or affiliates pursuant to this Agreement The transfer authorizations will be in the form prescribed by the Franchisor's bank Transfers will be on or after the due dates of the items as to which transfers are made, at the discretion of the Franchisor The Franchisee's authorizations will permit the Franchisor to designate the amount to be transferred to be transferred from the Franchisee's account, and to adjust such amount from time to time If the Franchisee fails at any time to provide the monthly reports required under this Agreement, then the Franchisor will have the right, at its sole discretion, to estimate the amounts due and payable to the Franchisor, and to transfer such estimated amounts from the Franchisee's bank account to the Franchisor's bank account The Franchisee shall at all times maintain a balance in its account at his bank or financial institution sufficient to allow the appropriate amounts to be transferred from the Franchisee's account for payment of all amounts payable by Franchisee pursuant to this Agreement

4 RESPONSIBILITY FOR DAMAGE OR DESTRUCTION OF RESTAURANT, PERSONAL DAMAGE, MANDATORY INSURANCE

(A) During the term hereof the Franchisee shall defend, indemnify and hold the Franchisor, its parent and its affiliates harmless of and from all claims, demands and suits for loss, damages or injury arising out of, without limitation, vandalism, negligence, wind, weather, water, fire, flood, earthquake or natural and man-made disaster, theft or accident, and any other activity directly or indirectly related to the operation or existence of the Restaurant business

(B) At all times during the term hereof the Franchisee shall maintain at his expense insurance against the risks specified above in Paragraph (A) of this Section 4 with accredited carriers having ratings satisfactory to the Franchisor The Franchisee's public liability policy, which must include products liability and liquor liability coverage, shall have limits of not less than $2,000,000 00 combined single limit The Franchisee's property damage insurance must have a limit of not less than $500,000 00 All policies shall name both the Franchisor, its parent and the Franchisee as the insured parties The Franchisee shall furnish the Franchisor annually or upon request written evidence of the existence of the policies of insurance required by this section

5 RECORD KEEPING, ACCOUNTING AND BUSINESS REPORTING

(A) The Franchisee shall use, keep and maintain such records concerning operation of the Restaurant as may from time to time be required by the standards and procedures established by the Franchisor Franchisor The Franchisee may keep other records or books as desired Not later than the 15th day of each month the Franchisee must forward to the Franchisor a profit and loss statement conforming to generally accepted principles of accounting, showing receipts and disbursements for the preceding month

(B) All of the accountmg accounts, books, records and federal, state and local tax returns and reports of the Franchısee so far as they pertaın to the franchısed busıness shall be open to the ınspectıon, examınatıon and/or audıt by the Franchısor and ıts authorızed representatıves at all reasonable tımes, and copıes thereof (other than reports requıred to be furnıshed to the Franchısor by the Franchısee) may be made by the Franchısor at ıts expenses The Franchısee waıves all claıms that, as between hımself and the Franchısor, such tax returns and other financıal ınformatıon are prıvıleged or confidentıal Any ınspectıon, examınatıon and/or audıt shall be at the Franchısor's cost and expense unless the same ıs necessıtated by the Franchısee's faılure to prepare and delıver ıts financıal statements to the Franchısor, or to keep and preserve proper accountıng records, or such ınspectıon, examınatıon or audıt dıscloses that any such financıal statement, report or payment made or delıvered by Franchısee to the Franchısor ıs ın error to an extent of 3% or more of the correct amount or amounts as determıned by the Franchısor or ıts representatıves, and ın any of such events, such cost and expense of the examınatıon or audıt shall be borne and paıd by the Franchısee upon bıllıng by the Franchısor

6 UNIFORMITY OF APPEARANCE, PRESENTATION OF PRODUCT, QUALITY AND MAINTENANCE OF STANDARDS

(A) The restaurant busıness ıs a hıghly competıtıve one, and the Franchısor and the Franchısee recognıze that they have a mutual ınterest ın the success of all "Huckleberry's" restaurants The success and efficıency of all "Huckleberry's" restaurants rest ın materıal respect on the unıformıty of ımage and appearance and general consumer acceptance of the restaurants as a group By use of the "Huckleberry's" trade name and servıce mark, the Franchısee represents to consumers that they wıll receıve the same hıgh qualıty food and servıce at the Restaurant as at every other "Huckleberry's" restaurant It ıs, therefore, to the mutual advantage of the Franchısor and the Franchısee and the Franchısee hereby does agree to establısh and maıntaın unıform appearance of the Restaurant and unıform hıgh standards of qualıty ın the merchandıse prepared, dısplayed and sold at the Restaurant and ın customer servıce and cleanlıness ın the Restaurant It ıs agreed that strıct adherence to these standards and requırements as establıshed by the Franchısor ıs mandatory In thıs connectıon, the Franchısee also agrees to apply hıs best efforts ın the operatıon and management of the Restaurant to the end that such operatıon ıs successful and results ın the hıghest practıcable profitabılıty to the Franchısee and to the Franchısor, and, ın relıance upon such agreements of the Franchısee, the Franchısor agrees that ıt wıll apply ıts best efforts ın performance of ıts oblıgatıons under thıs Agreement The strıct and contınued adherence to the standards, unıformıty and other requırements of thıs Sectıon ıs expressly made a condıtıon of thıs Agreement, the default ın the performance of whıch wıll be grounds for termınatıon of thıs Agreement as provıded ın Sectıon 10

(B) The Franchısee wıll acquıre from sources approved by the Franchısor, by purchase or lease, machınery, equıpment, furnıshıngs, sıgns and other personal property [hereafter collectıvely called "equıpment"] The Franchısor wıll furnısh the Franchısee a complete lıst of all equıpment whıch must be used ın the operatıon of the franchısed restaurant Franchısee agrees to maıntaın such equıpment ın excellent workıng condıtıons As ıtems of equıpment become obsolete or mechanically impaired to the extent they require replacement, Franchisee shall replace such items with either the same or substantially the same types and kinds of equipment All equipment used in the franchised restaurant shall meet the Franchisor's specifications

(C) With respect to the Restaurant premises, the Franchisee agrees that the premises shall

(1) Be maintained in strict compliance with regard to appearance and format as a "Huckleberry's" restaurant and be used exclusively for the operation of a "Huckleberry's" restaurant and for no other purpose,

(2) Be kept in good repair and maintained at all times by the Franchisee in a clean, neat and attractive manner in accordance with standards set out by the Franchisor, and

(3) Not be altered or changed in appearance or characteristics without the prior written consent of the Franchisor, and this prohibition shall apply to any and all additions or replacements of equipment, floor coverings, window coverings, signs and exterior and interior decor in the Restaurant

(D) The Franchisee shall, in his operation of the Restaurant, adhere to the strictest standards of cleanliness, quality control and appearance with respect to the care, storage, preparation and service of food, beverages and other commodities In this connection, the Franchisee agrees to strictly adhere to all health, cleanliness and other requirements of any governmental agency or political subdivision applicable to the operation of the Restaurant

(E) Upon the execution hereof, the Franchisor has furnished Franchisee a list of Designated Purveyors from whom Franchisee must purchase all equipment, food, beverage and supply items used in the operation and maintenance of the franchised restaurant The Franchisor shall periodically update its list of Designated Purveyors and furnish such updated lists to Franchisee, not less frequently than every six months The Franchisor shall have no financial or ownership interest in any Designated Purveyor, nor shall the Franchisor receive any secret or undisclosed rebates or other undisclosed consideration from any Designated Purveyor Designated Purveyors will, however, pay to Franchisor certain promotional allowances which Franchisor shall retain, without sharing same with Franchisee If Franchisee gives the Franchisor notice sufficiently in advance to permit purveyor and specification verification and testing, that Franchisee wishes to purchase equipment, food, beverage or supplies from reputable, dependable sources other than Franchisor's Designated Purveyors, the Franchisor will not unreasonably withhold the prompt approval of such vendors as Designated Purveyors from whom Franchisee may purchase goods, provided such goods conform to the appearance, quality, size or portion, and where applicable, taste, and uniformity standards and other specification of the Franchisor The Franchisor may require that samples from alternative purveyors be delivered to the Franchisor or to a designated independent testing laboratory for testing before approval and use A charge not to exceed the actual cost of the test may be made by the Franchisor or by an independent testing laboratory designed by the Franchisor

(F) The Franchisee agrees to keep the Restaurant open to the public seven (7) days per week during the following minimum hours from 7 00 A M to 3 00 P M , or, such other hours as directed by the Franchisor

(G) The Franchisee may, at his election, close the Restaurant on Christmas and Thanksgiving Also, the Franchisee may close the Restaurant when, in his opinion, the same requires repairs or remodeling which cannot reasonably be done if the Restaurant is kept open for business However, before closing the Restaurant for repairs or remodeling, the Franchisee must give the Franchisor written notice of his intention to do so, setting forth the Franchisee's estimate of the number of days the store will be closed In no event will the Franchisee ever be required to pay the Franchisor any penalty for closing the Restaurant pursuant to this paragraph

7 COVENANTS OF THE FRANCHISOR

In consideration for the payment and performance required of the Franchisee hereunder, the Franchisor shall do each and all of the following things

(A) If the location wherein the subject Restaurant is to be situated has not been selected and the building built upon the signing of this Agreement, the Franchisor shall do each and all of the following things

(1) Investigate and evaluate locations selected by the parties as possible locations for the establishment of the Restaurant business,

(2) Assist the Franchisee in negotiating for a lease or sublease for the Restaurant,

(3) Provide, at Franchisee's expense, a standard building plan for the construction of the Restaurant,

(4) Provide a detailed list of equipment to be installed at the Restaurant,

(5) Supervise the installation of equipment at the Restaurant, and

(6) Submit advice on financing the purchase of equipment for use at the Restaurant, if requested by the Franchisee

(B) After determination of the site for the Restaurant, the Franchisor shall do each and all of the following things

(1) Inspect the restaurant premises to insure proper installation of equipment,

(2) Train the Franchisee in the management and operation of the Restaurant business,

(3) The Franchisor shall provide additional wait staff, cooks and other personnel that the Franchisor determines is necessary for the proper opening of the franchised business for a period of two weeks If it is determined that additional time is required for this purpose, the Franchisee shall be charged the appropriate costs for those selected personnel to be at the Restaurant

(4) Explain, set forth and demonstrate to the Franchisee all of the standards, requirements and procedures to be followed in the operation of the franchised business,

(5) Furnish the Franchisee with an initial supply of daily check-out sheets, monthly profit and loss statements and inventory records,

(6) Advise the Franchisee of the food products and supplies to be used in the operation of the Restaurant business and those purveyors from whom the Franchisee may purchase the same,

(7) Generally supervise the opening of the Franchisee's Restaurant,

(8) Provide for consultation with the Franchisee a representative of the Franchisor,

(9) Advertise the trade name of the Franchisor at times and in ways and by means to be determined by the Franchisor to best promote the business of the Franchisor, the Franchisee and all of the Franchisor's other "Huckleberry's" franchisees,

(10) From time to time, convene franchisee meetings or seminars, to which the Franchisee shall be invited, for the purpose of disclosing to all in attendance the latest information about food pricing, advertising, franchising and new ideas for more profitable operation, and the like,

(11) Grant to the Franchisee the exclusive right to use the "Huckleberry's" trade name and service mark at the location and in the territory covered by this agreement and defend and hold the Franchisee harmless of and from all unauthorized uses of said trade name and service mark in the territory and elsewhere, and

(12) Enforce the standards, rules, procedures and regulations established by the Franchisor against all of its other franchisees to insure protection of the Franchisor's image, public acceptance and goodwill

8 COVENANTS OF THE FRANCHISEE

(A) In consideration for the performance of the Franchisor hereunder, the Franchisee shall do each and all of the following things

(1) Use exclusively the "Huckleberry's" trade name or service mark on all signs, advertising materials and service items used by the Franchisee in the franchised business,

(2) Serve the menu items specified by the Franchisor, follow all specifications and formulas of the Franchisor as to contents and weight of unit products served, and sell no other food or drink item or any other merchandise of any kind without the prior written approval of the Franchisor,

(3) Use the "Huckleberry's" system and method of food preparation, decoration and service prescribed by the Franchisor,

(4) Maintain the Restaurant in a clean and sanitary condition and comply with all laws, ordinances and regulations of governing bodies with respect to the operation of the Restaurant business,

(5) Comply with all laws regarding the hiring of employees,

(6) Devote full time and effort to the franchised business and refrain from devoting time and effort to any other business without the prior written consent of the Franchisor,

(7) At the Franchisee's expense, engage in local advertising as directed by the Franchisor,

(8) Refrain from entering into or terminating any lease or sublease for the Restaurant premises without the Franchisor's prior written consent,

(9) Refrain from cutting meat or doing any other butchering of meat products in the Restaurant,

(10) Pay to the Franchisor, its parent, and to any and all affiliates of the Franchisor with whom the Franchisee chooses to do business, all sums due and to become due to each,

(11) Within ten (10) days after issuance of a building permit for the Restaurant, sign a purchase contract for all required restaurant equipment, including a point of sales (POS) system or computerized sales recording system and all required software as specified by the Franchisor,

(12) Obtain a written binding commitment for the financing of the equipment to be placed in the Restaurant, if it is to be financed in whole or in part,

(13) Furnish the Franchisor copies of the contract and commitment mention in paragraphs (11) and (12) above, as soon as the same are obtained, and

(14) At least ninety (90) days prior to the opening of the Restaurant business, and for an aggregate period of not less than six (6) weeks, participate for not less than eight hours per day, five days per week in on-the-job training at a training store to be selected by the Franchisor The Franchisee may designate an individual with whom the Franchisee has entered into a written employment contract for a term of not less than one (1) year to manage the Franchisee's business when opened, to receive the on-the-job training provided for herein, in lieu of the Franchisee's personal participation The Franchisor shall not be required to compensate the Franchisee or his designee for work performed in receiving the on-the-job training Franchisee shall be responsible for the payment of all costs of training and opening of the store as they are incurred The Franchisee further agrees that in the event a new manager is hired to manage the restaurant, said manager shall complete, at the Franchisee's expense the training requirements described herein

(15) Participate in a gift-card program as directed by the Franchisor

(16) Refrain from engaging in any kind, type or means of electronic communication in which the Franchisor's trade name is used and which communication also disparages any person because the person belongs to a protected class of persons under the California Fair Employment & Housing Act [e g , race, creed, national origin, sexual orientation, etc] or which communication violates any law, ordinance or regulation

(17) Attend franchisee meetings as directed by the Franchisor

9 CONFIDENTIALITY INFORMATION

(A) Franchisee shall keep confidential all of Franchisor's trade secrets, recipes, proprietary information and methods of doing business

(B) At Franchisor's request, Franchisee shall require its principals, managers and any other personnel having access to any confidential information from Franchisor to execute and deliver a confidentiality agreement

(B) Franchisee acknowledges that any failure to comply with the requirements of this Section 9 shall cause Franchisor irreparable injury, and Franchisee agrees to pay, in addition to other damages, all court costs and reasonable attorney fees incurred by Franchisor in obtaining specific performance or injunction relief for violation of this Section 9

10 DEFAULT AND CANCELLATION

(A) Any breach of any term, provision, covenant or condition of this Agreement or the lease or sublease under which the Franchisee enjoys the right to occupy the Restaurant shall constitute a default under this Agreement

(B) Upon the occurrence of any default which the Franchisee fails to cure within ~~three~~sixty (60) days following the Franchisor's giving a written notice thereof to the Franchisee, the Franchisor may, at its option, terminate this Agreement by giving the Franchisee a written notice of such termination, such termination to be deemed effective by and upon the giving of such notice

(C) In the event of termination under Section 10

(1) Any and all obligations of the Franchisor to the Franchisee under this Agreement shall immediately terminate

(2) Any and all rights of the Franchisee under this Agreement shall immediately terminate, except rights given under this Section 10

(3) Franchisor shall have the right, forthwith upon such termination, to take possession of the entire Restaurant and the supplies, ingredients and inventory found therein, and to thereafter operate the Restaurant as its own for all purposes However, the Franchisor shall pay the Franchisee for the fair value of supplies, ingredients and inventory in the Restaurant at the time the Franchisor so takes possession Further, upon taking possession, the Franchisor shall appoint a fixture dealer who shall not be an employee, officer, director or shareholder of the Franchisor, its parent, or any of its affiliates, who shall determine the fair market value of the equipment in the Restaurant The Franchisor shall within 30 days following the determination of the fair market value of the equipment, pay the amount

thereof to the Franchisee, less any balances owed against the equipment and less any offsets to which the Franchisor may lawfully be entitled for damages for breach of contract by the Franchisee Such damages shall include the present value of the royalties and administrative contributions the Franchisor would have received during the unexpired terms of this Agreement, less the amount of said damages the Franchisee proves could have been reasonably avoided

(D) Should the Franchisee elect to cancel this Agreement for any reason, and provided that the Franchisee is not himself in default hereunder, he may do so by giving written notice of cancellation to the Franchisor The giving of such notice shall obligate the Franchisee to sell and give an election to the Franchisor to purchase the physical assets of the Restaurant for a price determined as follows

(1) The notice of cancellation shall include the name of an appraiser of Franchisee's choice Upon receipt of the notice the Franchisor, if it elects to purchase, shall likewise designate one appraiser Each appraiser shall forthwith independently determine the fair market value of the physical assets as though they were removed from the Restaurant and placed in storage If the values thus determined do not differ in amount by more than 10% of the smaller appraisal, then the larger appraisal shall be the purchase price to be paid by the Franchisor for the physical assets If they differ by more than 10%, the purchase price shall be the average of the appraisals There shall be deducted from the total purchase price any balances owed against the physical assets and all other amounts owed by the Franchisee to the Franchisor, its parent and its affiliates as of the consummation of the sale Payment shall be made in cash at the close of the escrow required by Division 6 of the California Commercial Code to be established for the sale of these assets Such payment shall constitute payment in full for all of the right, title and interest of the Franchisee in the Restaurant and the franchised business The Franchisee shall assign to the Franchisor his lease or sublease to the location by a document to be deposited into the escrow mentioned above, for delivery to Franchisor at the closing The Franchisor shall reimburse the Franchisee for any sales tax resulting from the sale through cash or credit in the escrow

(2) If the Franchisor does not elect to purchase the franchised business in accordance with the foregoing provisions, the Franchisee may dispose of the physical assets of the business as he sees fit, free from any restrictions hereunder However, the Franchisee may not transfer any rights of use of the Franchisor's trade name, service mark, recipes or menu, and the Franchisee shall cease doing business as a "Huckleberry's" restaurant within forty-five (45) days after receipt of notice from the Franchisor declining to purchase the Franchisee's physical assets

11 ASSIGNMENT

(A) Assignment by Franchisor This Agreement and all rights hereunder may be assigned by the Franchisor, provided the assignee expressly assumes and agrees to be bound by the terms and conditions of this Agreement, and a copy of such assignment and assumption is delivered to Franchisee

(B) General Prohibition on Assignment by Franchisee

(1) Franchisee shall not assign the Agreement or any rights or interest herein except in compliance with this Section 11 For the purpose of this agreement, each of the following shall be deemed to be an assignment of this Agreement

(a) Any sale, assignment or transfer by Franchisee of or with respect to Franchisee's Interest in this Agreement or the delegation of any of the Franchisee's obligations hereunder,

(b) Sale at a judicial sale or under a power of sale, conveyance or retention of collateral in satisfaction of debt, or other procedure to enforce the terms of any pledge, encumbrance, or security interest in this Agreement with results in disposition of Franchisee's interest herein,

(c) The passing by operation of law to any other party or parties of Franchisee's interest in this Agreement or any part thereof,

(d) Any transfer of equity interest or other act that causes a change in control of Franchisee (if the Franchisee is a corporation, limited liability company or other entity)

(2) Any assignment of this Agreement other than in accordance with and subject to all of the terms and provisions of this Section 11 shall (i) constitute a breach of this Agreement, (ii) be subject to the provisions of Section 10 above, and (iii) confer no rights or interest whatsoever under this Agreement upon any other party

(C) Transfer to Controlled Business Entity Franchisee may at any time assign and transfer this Agreement to a corporation, limited liability company or other business entity organized and operated for the sole purpose of conducting the franchised business, subject to the following conditions

(1) Franchisee shall be and remain the owner of 51% of the issued and outstanding equity interest of said business entity, and

(2) Such assignment and transfer shall be evidenced by a written instrument, in form satisfactory to Franchisor, in which said business entity expressly assumes all obligations of Franchisee hereunder, whether accrued at the time of such assignment or arising thereafter, and agrees to be bound by all of the terms and provisions of this Agreement A copy of said instrument, executed by both Franchisee and said business entity shall be promptly delivered to Franchisor

(3) No transfer under this section 11(C) shall be subject the transfer fee set forth in section 11(E) hereof

(4) Each owner of the assignee entity shall sign a Personal Guaranty in a form satisfactory to Franchisor

(D) Transfers to Heirs Upon Death or Incapacity In the event of the death or incapacity of a fifty percent or more equity owner of Franchisee, provided that Franchisee has employed at the Restaurant a qualified manager trained in the system, the personal representative, or guardian of such person shall have 12 months from the date of death or judgment of incapacity to either (i) assume and be bound by the terms of this Agreement, or (ii) sell and transfer the franchised business to another person or entity under the conditions set forth in Paragraph 11(E) below If the personal representative elects to assume this Agreement, he shall comply or cause Franchisee's estate to comply, with Paragraph 11(E)(1)-(5) No transfer under this Paragraph 11(D) shall be subject to the transfer fee set forth in Paragraph 11(E)(5)

(E) Franchisor's Consent To Assignment If Franchisee desires or proposes to sell, assign, or transfer his right to operate the franchised business under this Agreement to any other party except to a controlled business entity as described in Paragraph 11(C), or if Franchisee or the holder of any interest in Franchisee desires or proposes to take any action which would constitute or create an assignment of this Agreement, Franchisee or the holders of such interest, as the case may be, shall first notify Franchisor in writing of such proposed sale, assignment, transfer, or other action, setting forth in detail the nature of the item or interest to be sold, assigned, transferred, or otherwise acted upon the name and address of the proposed purchaser, assignee, or transferee, or other party acquiring any interest and the consideration, if any, thereof Franchisor shall not unreasonably withhold consent to any other assignment, provided that each of the following conditions is fulfilled

(1) It shall be demonstrated to the reasonable satisfaction of Franchisor that the proposed purchaser, assignee, transferee, or person (if an individual) is of good moral character, and possesses the business experience and capability, credit standing, health, and financial resources necessary to successfully operate Franchisee's business in accordance with the terms of this

Agreement   If the proposed purchaser, assignee or transferee is a business entity, the provisions of the preceding sentence shall apply to the individuals who own or are to own such entity   Franchisee shall cooperate with Franchisor in making available such information as the Franchisor may require to make the above-described determinations

(2) If the transferee will be active in the management of the franchised business, the transferee shall have successfully complete the training course then in effect for Franchisees of Franchisor   The Franchisee's manger shall remain in his position until the manager appointed by the transferee completes any required training by Franchisor,

(3) There shall be no existing default in any of the obligations of Franchisee under this Agreement, and all amounts owed to Franchisor and its affiliates and parent shall be paid in full at or prior to the consummation of such transaction

(4) Such transferee shall have submitted to Franchisor satisfactory evidence that he will acquire and will become entitled to all rights of the Franchisee pertaining to the franchised business   If the interest of Franchisee hereunder is to be acquired, the party acquiring such interest shall have executed and delivered to Franchisor a written instrument, in form satisfactory to Franchisor, by which it expressly assumes all obligations of Franchisee hereunder, whether then accrued or thereafter arising, and agrees to be bound by all the terms and provisions of this Agreement and any additional conditions required by the Franchisor at that time to the same extent and in the same manner as Franchisee

(5) A non-refundable transfer fee of $15,000 00 shall have been paid to Franchisor

12 MISCELLANEOUS PROVISIONS

(A) All notices given under this Agreement shall be in writing, served personally on or mailed by certified mail to the other party   Mailed notices served by mail are effective 48 hours after deposit in the U S mail with postage prepaid and duly addressed as follows

(1) To the Franchisor at 530 E Herndon, Suite 105, Fresno, California 93720

(2) To the Franchisee at the Restaurant

Either party may change its or his address for notices by giving a notice in the manner described above

(B) The waiver by either party of any breach of any term, covenant or condition to be performed by the other party shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained The subsequent acceptance by the Franchisor of a payment due to it shall not be deemed to be a waiver of any preceding breach of any term, covenant or condition of this Agreement, other than the failure of the Franchisee to make a timely payment of the amount so accepted, regardless of the Franchisor's knowledge of such preceding breach at the time of acceptance of such amount

(C) This Agreement supersedes any and all other agreements, either oral or written, between the parties with respect to its subject matter and contains all of the covenants, agreements, terms and conditions between the parties to this Agreement This Agreement may not be amended, except by a further writing signed by the parties

(D) Should litigation result concerning this Agreement in any way, the prevailing party shall recover from the losing party all costs and expenses, including a reasonable attorney's fee In any such litigation only the courts of the County of Fresno, State of California, where this Agreement was entered into, shall be proper for venue purposes

(E) It is understood and agreed that a part of the consideration for the Franchisor's entering into this Agreement is the personal confidence reposed in the Franchisee, and that, therefore, in no event shall the Franchisee voluntarily, involuntarily, by operation of law or otherwise, sell, assign, transfer, convey or encumber his rights under this Agreement, or permit or suffer the same to be transferred or encumbered without the prior written consent of the Franchisor Any such transfer to which the Franchisor shall not consent shall be a default by the Franchisee, and the Franchisor shall have then have the rights as set forth in Section 10 of this Agreement Nothing herein contained shall prohibit the Franchisee from selling the Restaurant business, including the good will, provided the Franchisor's written consent is first obtained, which consent shall not be unreasonably withhold However, such consent may be withheld with justification if the sale proposed by the Franchisee does not provide for adequate training of the successor in accordance with the Franchisor's training policy If the Franchisor provides training to the Franchisee's successor, the Franchisee must pay the Franchisor, in advance, for the cost thereof, as determined by the Franchisor

(F) Should any part of this Agreement be judicially determined to be illegal, unenforceable or void, that part be deemed to be severed from the other parts, all of which shall remain in full force and effect between the parties

(G) TIME IS OF THE ESSENCE HEREOF

(H) This Agreement may be executed in any number of counter-parts, and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument For all purposes hereof, facsimile signatures shall be deemed to be original signatures

(I) Masculine singular pronouns used herein shall be deemed to be neuter, feminine or plural, or a combination thereof depending upon the makeup of the Franchisee

Dated____________________ at ____

BRG FRANCHISING, INC

By ________________________________
R T Brooks, President
Franchisor

Dated____________________ at ____

____

____
Franchisee

EXHIBIT A
CONFIDENTIALITY AGREEMENT

This AGREEMENT is made and entered into as of ________________, by and between BRG Franchising, Inc , a California Corporation, (hereinafter "Franchisor") and __________________________________(hereinafter "Franchisee") Franchisor and Franchisee are concurrently entering into a Franchise Agreement dated of even date herewith (or have heretofore entered into such Franchise Agreement), the terms (including definitions) of which are hereby incorporated by reference In case of any inconsistencies between any term of the Franchise Agreement and this Agreement, this Agreement shall control

In consideration of the mutual promises of the parties as set forth in the Franchise Agreement, and of Franchisor's disclosures to Franchisee of certain confidential, proprietary documents and information it is agreed as follows

1 Franchisor owns the franchise known as "Huckleberry's" and has the right to franchise it, including the reproduction and distribution of confidential information relating thereto All tangible things which Franchisor has marked "Confidential" (or words to similar effect) prior to their loan to Franchisee, collectively with their consent, "Confidential Materials" are covered by this Agreement All such Confidential Materials shall remain the property of Franchisor, and are (unless they bear copyright notices) unpublished works nonetheless protected under the U S Copyright Act Confidential Materials include, but are not limited to, the following particularly sensitive documents and things contained therein (as they may be revised or supplemented from time to time hereafter) the Confidential Operations Manual or Franchisee Manual

2 Franchisee shall hold and cause Confidential Materials to be held in the strictest confidence, following instructions in the Confidential Operations Manual or Franchisee Manual for preserving their confidentiality, and maintaining at least the same level of security for them as it maintains for its own most confidential business information Franchisee shall take appropriate precautions to insure that access to Confidential Materials is limited to authorized Franchisee personnel (and with Franchisor's prior written consent, contractors) who have first signed a confidentiality agreement in the form attached as Exhibit 1, and shall then permit access only on a need-to-know basis Franchisee shall maintain a separate file for such confidentiality agreements, and make such file available for inspection and copying by Franchisor, upon written or oral request

3 Neither the Franchisee nor any of its officers, directors, partners, employees, agents, independent contractors or affiliates, or any other person or organizations over which Franchisee has control (collectively, the "Obligors"), shall directly or indirectly use, disclose, copy reproduce or duplicate all or any part of the Confidential Materials for any purpose not associated with complying with the Franchisee's duties under the Franchise Agreement, or disseminate, loan, assign, reveal or disclose all or any part of the Confidential Materials to any person or organization not licensed or affiliated with Franchisor unless with the express written consent of Franchisor Additional copies or reprints of Confidential Materials may be obtained only from Franchisor, if

needed If Franchisor permits Franchisee to cause derivative works to be prepared from Confidential Materials (for example, architectural and construction plans) such works shall be created as a work-made-for hire (if by an independent contractor, under a written agreement so stipulating) and Franchisee shall at the conclusion of such work assign all copyrights therein to Franchisor (including, but not without limitation, first publication rights and the right to make copies)

4 If Franchisee is licensed to use any proprietary computer programs of Franchisor, Obligors shall not attempt to translate, decompile, decode, modify, merge, or otherwise alter the object of such program

5 Franchisee shall use its best efforts to collect all copies of Confidential Materials from each employee and independent contractor permitted access to them, at or prior to termination of such employment or retention Upon termination of the Franchise (or earlier as requested by Franchisor), Franchisee shall return to Franchisor at Franchisee's expense or destroy (as Franchisor directs) any and all copies of Confidential Materials, and all other tangible things containing information from or otherwise derived from such Confidential Materials, then in Franchisee's actual or constructive possession

6 In the event that any Obligor shall breach this Agreement, or separately signed Confidentiality Agreement in the form of Exhibit 1, or in the event that such breach appears to be imminent, Franchisor shall be entitled to all legal and equitable remedies afforded by the laws as a consequence of such breach or imminent breach, and may, in addition to any and all other forms of relief, recover from the breaching Obligor all reasonable costs and attorney fees incurred by Franchisor in seeking any such remedy Franchisee acknowledges that Confidential materials may contain Franchisor's commercially valuable trade secrets and that unauthorized use or disclosure of all or any part of them would cause great and irreparable injury, for which there may be no adequate remedy at law

7 While some of the information contained in the Confidential Materials may already be known by Franchisee or its personnel or be in the public domain, Franchisee acknowledges that the compilation of that information in Confidential Materials has cost Franchisor great efforts and expense, and affords the person to whom the Confidential Materials are disclosed, including the Obligors, a competitive advantage over persons who do not know the information or have the compilation contained in the Confidential Materials Franchisee and the Obligors shall be labile for damages sustained by Franchisor as a result of willful or negligent publication or dissemination of the Confidential Materials or any information contained therein In any proceeding involving the causes of action described in this Exhibit A, the burden of proof shall be on the party opposed to Franchisor in any claim that the Confidential Materials or any information contained therein is not confidential or secret

8 This Agreement shall remain in effect from the above date until the termination of the Franchise Agreement mentioned above and thereafter for the lesser of ten (10) years or the longest time permitted by applicable law Confidential Materials describing a food or beverage recipe, list of ingredients, and preparation and serving instructions shall remain secret and

confidentıal forever, unless Franchısor causes the same to be dısclosed wıthout confidentıalıty restrıctıons It shall be bındıng upon the partıes hereto and upon theır respectıve executors, admınıstrators, legal representatıves, heırs, successors and assıgns

9 Thıs Agreement shall be governed for all purposes by the laws of the State of Calıfornıa If any provısıon of thıs Agreement ıs declared voıd, or otherwıse unenforceable, such provısıon shall be deemed to have been severed from thıs Agreement, whıch shall otherwıse remaın ın full force and effect

10 Any Franchısee notıce, consent request of the lıke shall be made ın wrıtıng and shall be sent vıa first class Unıted States maıl or by any courıer servıce havıng receıpted delıvery, to Franchısor at 530 E Herndon, Suıte 105, Fresno, Calıfornıa 93720, Attentıon Presıdent, or to such other address or persons as Franchısor shall advıse the undersıgned ın wrıtıng from tıme to tıme Notıce to or consent from an officer of Franchısee shall be suffıcıent Notıces from Franchısor shall be gıven ın the manner descrıbed ın the foregoıng Franchıse Agreement

11 The Franchısee acknowledges and agrees that ıt has read the foregoıng, understands all of hıs oblıgatıons under thıs Agreement, ıs duly authorızed to sıgn thıs Agreement, ıs wıllıng to receıve and use the Confidentıal Materıals ın complıance wıth thıs Agreement

Dated ____________________________ Dated ____________________________

BRG FRANCHISING, INC

By ____________________________ ____________________________

R T Brooks, Presıdent ____________________________

Franchısor Franchısee

EXHIBIT "1"
TO CONFIDENTIALITY AGREEMENT

1 I, ____________________________________, am either an agent or independent contractor of ____ ("Franchisee"), and in order to induce disclosure to Franchisee of certain confidential proprietary documents and information ("Confidential Materials") owned by BRG Franchising, Inc (Franchisor), I represent and warrant to Franchisee for the benefit of Franchisor that

2 I understand that written or otherwise recorded Confidential Materials remain the property of Franchisor and are (unless they bear copyright notices) unpublished works nonetheless protected under the U S Copyright Act, which include valuable Franchisor trade secrets and confidential information I further understand that Franchisor has made and will continue to make substantial investments in developing Confidential Materials, and that the following Confidential Materials (as they may be revised or supplemented by Franchisor from time to time) are particularly sensitive Confidential Operations Manuals and Franchisee Manuals

3 I promise that I will use Confidential Materials and information contained therein only at places designated by Employer, in furtherance of Employer=s business, and pursuant to Employer's direction I will not (except as Employer properly directs) copy all or any part of Confidential Materials, or transfer or loan to any other person any Confidential materials which are entrusted to me, If Employer directs me to create works derived from Confidential Materials (for example, architectural and construction plans), such works shall be deemed works-made-for hire and Employer shall own all copyrights in such works, subject to its obligations to assign such rights to Franchisor

4 If my employment or relationship by or with employer terminates or I am no longer assigned to work with Confidential Operations Manual or Franchisee Manual notes, memorandum or the like concerning or derived from them, which are then in my possession or control, I will immediately return all Confidential Materials to Franchisee

5 I will not disclose all or any part of Confidential Materials or information contained therein to any person who is not also employed (directly or an independent contractor) by Franchisee, and then only pursuant to his directions

6 If I am granted access to any Confidential Materials which are computer programs, I will not attempt to translate, de-compile, decode, modify, merge or otherwise alter the object codes of the programs Confidential Operations Manual or Franchisee Manual

7 My obligations to preserve the confidentiality of Confidential Materials and information contained therein will continue for the longest term permitted by applicable law after termination of my employment by Employer, even if that termination is wrongful, but in no event less than ten (10) years I understand that this is not an employment agreement of any kind I understand further that Confidential Materials describing a food or beverage recipe, list of ingredients, and preparation and serving instructions shall remain a secret and confidential forever,

unless Franchisor causes the same to be disclosed without a secrecy obligations from the disclosures

8 If a dispute arises as to whether particular information in Confidential Materials, used or disclosed by me in violation of this Agreement, is confidential information or a trade secret, I agree that I shall bear the burden of proving that I knew the information prior to first disclosure to me of the Confidential Materials containing it, that I or the Confidential Materials first became publicly known through no wrongful act on my part, or that I independently developed it without reference to any Confidential Materials

9 I shall be liable to Franchisor for damages caused by my willful or negligent use or disclosure of Confidential Materials or information contained therein, in violation of this Agreement

10 This Agreement shall be governed for all purposed by the laws of the State of California, and shall be construed to maximize protection of Franchisor's rights in the Confidential Materials If any provision of this Agreement is declared void or unenforceable, such provision shall be deemed severed, and the balance of the Agreement shall remain in full force and effect

Dated ____________________

____
(Signature of agent or independent contractor)

____
(Printed name of signor)

EXHIBIT I

You may call the Department of Business Oversight, Division of Corporations, of the State of California for information about BRG Franchising, Inc and about franchising in California at

Sacramento 95814-4052
1515 K Street, Suite 200
(916) 445-7205, (866) 275-2677

San Francisco 94104-4428
One Sansome Street, Suite 600
(415) 972-8555 (866) 275-2677

Los Angeles 90013-1259
300 Spring Street, Suite 15513
(213) 897-2085 FAX (213) 897-8860

San Diego 92101-3697
1350 Front Street, Room 2034
(619) 525-4233 (866) 275-2677

1-866-ASK-CORP
1-866-275-2677
www dob ca gov

APPENDIX

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE UNIFORM FRANCHISE DISCLOSURE DOCUMENT

Neither BRGF, not anyone identified in Item 2 of this Uniform Franchise Disclosure Document 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, 15 U S C A 781, et seq , suspending or expelling such person from membership is such association or exchange

THE FRANCHISE AGREEMENT REQUIRES THAT ALL LITIGATION OCCUR IN FRESNO COUNTY, CALIFORNIA THIS PROVISION MAY NOT BE ENFORCEABLE UNDER CALIFORNIA LAW

SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF CORPORATIONS BEFORE WE MAY ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language   Read this disclosure document and all agreements carefully

If BRG Franchising, Inc offers you a franchise, it must provide this disclosure document to you by the earliest of the following events

1 The first personal meeting to discuss the franchise,
2 Fourteen calendar-days before you sign a binding franchise agreement with BRG Franchising, Inc , or
3 Fourteen days before you make a payment to the franchisor or an affiliate in connection with the proposed franchise sale

If BRG Franchising, Inc does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D C 20580 and the California Department of Corporations

The name, principal business address, and telephone number of each franchise seller offering the franchise is BRG Franchising, Inc , is 530 E Herndon, Suite 105, Fresno, California 93720, Telephone (559) 485-8520, and R T Brooks, is 530 E Herndon, Suite 105, Fresno, California 93720, Telephone (559) 485-8520

The date of issuance is ______________________________

I received a disclosure document dated ____________________________ that included the following Exhibits

Exh A	List of Franchisees
Exh B - G	Financial Statement for the fiscal years ending June 30, 2016, 2015~~, 2014~~ and ~~2013~~2014
Exh H	Franchise Agreement
Exh I	State Franchise Administrator

Dated ________________________ ______________________________

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