

EXHIBIT B

Franchise Agreement

Dated February 3, 2023

Franchise Agreement

BAM Franchising, Inc.

225 West 520 North
Orem, UT 84057
Phone: (888) 534-6722

www.bricksandminifigs.com



BAM Franchising Franchise Agreement

BAMF Salem 1, LLC
an Oregon limited liability company
(Franchisee)

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BAM FRANCHISING, INC. FRANCHISE AGREEMENT

This Franchise Agreement (the “Agreement”) is made and entered into as of February 3, 2023, by and between BAM Franchising, Inc., an Oregon corporation, with its principal place of business at 225 West 520 North, Orem UT 84057 (“**we**”, “**us**”, the “**Company**” or “**Franchisor**” or “**BAM**”) and BAMF Salem 1, LLC, an Oregon limited liability company, (“**you**” or “**Franchisee**”) whose principal address is [1022 Blackburn Bluff, Charlottesville, VA 22901]. The Company and Franchisee are sometimes collectively referred to in this Agreement as the “Parties.”

1. INTRODUCTION

A. BRICKS & MINIFIGS®.

We own, operate, and franchise The Bricks & Minifigs® businesses that are retail stores, typically located in shopping malls, strip malls or as free-standing structures, featuring high-quality LEGO® products and related merchandise (the “**System**” or the “**Bricks & Minifigs System**”). We and or our Affiliates, have developed and own a comprehensive system for developing and operating Bricks & Minifigs® stores, which includes trademarks, distinctive store designs and layouts, décor and color schemes, vendor relationships, resale methods, advertising methods and strategies, specifications and procedures for quality control, marketing materials, training programs and certain operational and business standards and policies, all of which we may improve, further develop or otherwise modify. A Bricks & Minifigs®™ franchise will: provide programs permitting customers to sell and/or trade their used LEGO® bricks, LEGO® mini figures and accessories; offer for sale a wide selection of new and used LEGO® bricks, LEGO® mini figures and accessories sold in bulk or full play sets in addition to selling apparel and pre-approved non-LEGO® branded and/or LEGO® compatible products and other merchandise approved by us (the “**Products**”). Additionally, Franchisee may also offer: consignment services, approved themed entertainment services (such as birthday parties, holiday parties, or school events), approved off-site events, after school project-based programs teaching the principals of building with LEGO® bricks to children and other toy related services approved by us (the “**Services**”). Products and Services are also customizable, upon our approval, as Franchisee may also offer, for example, online LEGO® sales, LEGO® memorabilia and LEGO® posters.

B. Your Acknowledgements.

You have read this Agreement, our Franchise Disclosure Document, and all agreements relating to these documents. You acknowledge that you have had ample time and opportunity to consult advisors of your own choosing about the potential benefits and risks of entering into this Agreement. You have conducted an independent investigation of the business contemplated by this Agreement and recognize that the LEGO® resale industry is highly competitive. You recognize that the nature of Bricks & Minifigs® stores may change over time, that an investment in Bricks & Minifigs® stores involves business risks and that the success of the venture is largely dependent on your own business abilities, efforts, and financial resources.

C. Your Representations.

You and your Principal Owners, jointly and severally, if applicable, represent and warrant to us that: (1) neither you nor any of your Principal Owners has made any untrue statement of any material fact or has omitted to state any material fact in the written information you have submitted in obtaining the rights granted hereunder; (2) neither you nor any of your Owners has any direct or indirect legal or beneficial interest in any business that may be deemed a Competitive Business, except as you have otherwise completely and accurately disclosed in writing to us in connection with obtaining the rights granted hereunder; and (3) the signing and performance of this Agreement will not violate any other agreement to which you or any of your Owners may be bound. You recognize that we have signed this Agreement in reliance on all of the statements you and your Owners have made in writing in connection with this Agreement.

2. GRANT OF RIGHTS AND TERRITORY.

A. Grant of Franchise.

You have applied for the right to own and operate a Bricks & Minifigs® store (the “**Store**”, “**Business**” or “**Franchise**”) at and only at, the following location: 3670 River Rd. N, Keizer, OR 97303 located within the Territory, as defined in the Site Selection Addendum, attached hereto as Schedule 7 (the “**Accepted Location**”). Subject to the terms and conditions of this Agreement, we grant you a non-exclusive right to operate your Store at the Accepted Location and to use the Marks in the operation of the Store in accordance with the System Standards. The “Marks” refers to the trademarks, trade names, service marks, logos and other commercial symbols which we authorize you to use to identify Bricks & Minifigs® Products and/or Services offered by Bricks & Minifigs® stores, including the trademarks and service marks, BRICKS & MINIFIGS and the trade dress and goodwill associated with it, as well as, all taglines that are registered or filed or that may be registered or filed in the future. We reserve the right to modify and/or discontinue the use of these trademarks, trade names, service marks, logos, tag lines and other commercial symbols and trade dress and establish at any time additional or substitute trademarks, trade names, trade dress, service marks, logos, tag lines or other commercial symbols. All such modifications, additions or substitutions shall immediately upon their use be deemed included within this definition of the Marks.

During the Initial Term, as defined below, the Company will not operate (directly or through an Affiliate), nor grant to another person the right to operate, any Bricks & Minifigs® stores located within one mile of the Accepted Location, or as otherwise defined in the Site Selection Addendum attached as Schedule 7 (“**Territory**”).

Notwithstanding the foregoing, we have the right to operate (directly or through an Affiliate), and to grant to others the right to operate, within the Territory and elsewhere: (1) Bricks & Minifigs® stores or other Lego® concepts using any part or all of the System Standards and/or Marks that are: (i) located at, education facilities or other special locations (“**Special Locations**”); and (2) Stores that we purchase that are part of another franchise system or chain, regardless of whether any or all of them are converted to Bricks & Minifigs® stores or continue to be operated independently; and (3) other establishments that we purchase or acquire that are not directly related to LEGO® resale. Additionally, we may purchase or be purchased by, or merge or combine with competing businesses wherever located.

You have no right to construct or operate any additional, expanded or modified facilities on the Accepted Location, nor any right to construct or operate a Bricks & Minifigs® store at any location other than at the Accepted Location. In addition, you have no right to sublicense pursuant to this Agreement.

Franchisee is not restricted as to the geographic area into which Franchisee may attract customers. However, Franchisee cannot perform any target marketing (“**Target Marketing**”) into the territory of another franchisee or company-owned or affiliate-owned outlet. The term “Target Marketing” means a concerted effort by a franchisee to solicit and obtain customers by any type of advertising or marketing directed at all or any portion of another franchisee's territory (or the territory of a company-owned or affiliate-owned outlet). Franchisor shall use commercially reasonable efforts to deal with any franchisee that violates this policy. Franchisee may accept business, sell Products (which includes shipping Products) and provide Services to customers who live outside the Territory even if such customers live within another franchisee's protected territory, so long as the Products and Services that Franchisee is providing are being performed from or at the Accepted Location within the Territory. Franchisee, however, is prohibited from selling Products through any alternative channels of distribution (such as Websites as defined below) without our written approval. If Franchisee is granted permission to sell Products through an alternative channel of distribution, per Franchisor's written approval, Franchisee may sell Products to customers outside Franchisee's Territory without compensation to the other franchisee or Company-owned store. Franchisor's response to Franchisee's request will be made within thirty (30) days after Franchisor receives it, otherwise the request will be deemed disapproved. Approval may be revoked in Franchisor's sole discretion. Franchisor, Company-owned locations, and other franchisees reserve the same right to sell and ship Products or perform Services to customers who may live within Franchisee's Territory without

compensation to Franchisee.

If Franchisee is asked to conduct business at off-site events in geographical areas in which there is another franchisee, Franchisee must refer that request to the Bricks & Minifigs® store in that geographical area or directly to us. Whether the other Bricks & Minifigs® store is a franchise or Company-owned store, you must not conduct business at off-site events in that geographical area. If there is not a Bricks & Minifigs® store in that geographical area, then you must submit a request to conduct business at off-site events to Franchisor and upon its written approval, Franchisee can proceed. Franchisor shall approve or deny Franchisee's request to conduct business at off-site events in other geographical areas not owned by other franchisees or Franchisor, which approval is in Franchisor's sole discretion, within five (5) days of Franchisee's written request. Failure of Franchisee to refrain from Target Marketing and/or refer off-site events to another franchisee or company-owned store, as described above, may result in termination of this Agreement.

We encourage Bricks & Minifigs® stores, when owned by different individuals, to work out a customer referral arrangement if they are within close proximity of each other (defined as being within a five (5) mile radius of each other). We must be notified in writing of all such arrangements.

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

- a) The term “**National Account**” means a special class of customers which may include but are not limited to large businesses, national organizations or non-profit organizations with outlets located in multiple territories and government agencies who on their own behalf or through agents, franchisees or other third parties owns, manages, controls or otherwise has responsibility for buildings or common-services in more than one location whose presence is not confined within any one particular franchisee's territory regardless of the aggregate contract amount of the Products and/or Services the Franchisee wishes to provide or perform. Any dispute as to whether a particular customer is a National Account shall be determined by us in our sole and absolute discretion and our determination shall be final and binding;
- b) We shall have the exclusive right, unless otherwise specifically delegated in writing, on behalf of ourselves, Franchisee and/or any other franchisees utilizing the proprietary marks, to negotiate and enter into agreements or approve forms of agreement to provide Products and offer Services to National Account customers, including any affiliate, company owned or franchised locations within the Territory;
- c) Following the execution of a contract with or the acceptance of a bid by a National Account customer which contemplates the provision of Products or Services to one or more National Account customer location within the Territory, Franchisor will, if Franchisee is qualified and, conditioned upon the terms of this Agreement and any addendum, provide Franchisee the option to provide such Products and offer Services pursuant to the terms and conditions of the National Account contract or on such terms and conditions as Franchisor in its sole discretion determines;
- d) If Franchisee elects not to provide Products and/or Services to a National Account customer in conformity with the terms and conditions of the National Account bid or contract, or fails to make an election within the time specified by us, of being offered the opportunity by us, we shall have the right, exercisable in our sole discretion, to:
 - i. Provide directly or through any other affiliate or franchisee utilizing our proprietary marks, Products and/or Services to the National Account customer

location(s) within the Territory on the terms and conditions contained in the National Account bid or contract; and/or

- ii. Contract with another party to provide such Products and/or Services to the National Account customer location(s) within the Territory on the terms and conditions contained in the National Account bid or contract between us and the National Account customer, utilizing our proprietary marks or any trademarks, service marks or trade names.
- e) Neither the direct provision by us (or a franchisee, affiliate or agent of ours) of Products or Services to National Account customers as authorized in d)i above, nor if we contract with another party to provide such Products and/or Services as authorized in d)ii above, shall constitute a violation of this section relating to the exclusivity of the Territory, even if such Products and/or Services are delivered or performed from a location within the Territory. Franchisee disclaims any compensation for Products sold or Services provided by others in the Territory pursuant to this section.

Franchisee's rights in the Territory are exactly (and only) as expressly set forth in this Agreement. Except as expressly provided in this Agreement, Franchisee has no right to exclude, control or impose conditions on the location, operation, or otherwise of present or future Bricks & Minifigs® (or any other brand) units or distribution channels of any type, franchised or company-owned, regardless of their location or proximity to the Store and whether or not they sell Products or offer Services to customers within the Territory. Franchisee does not have any rights with respect to other and/or related businesses, products and/or services, in which we or any Franchisor-related persons or entities may be involved, now or in the future.

B. Initial Term.

The initial term of this Agreement will be five (5) years, commencing on the date of this Agreement (the "Initial Term"). This Agreement may be renewed as provided in Section 2C. This Agreement may be terminated before expiration of its term if: (i) the lease or sublease of the Accepted Location is terminated, or you otherwise lose the rights to occupy the Accepted Location, or (ii) this Agreement is otherwise terminated in accordance with Section 14. References in this Agreement to the "Term" of this Agreement mean the initial term and any renewal term.

C. Renewal.

If you are not in default and you continue to meet our financial criteria for new franchisees at the time of exercise of a renewal option and at the time the prior term expires, you shall have the right, subject to the conditions contained in this Section, to renew this Agreement for your Bricks & Minifigs® stores on the terms and conditions of our then-current form of the Franchise Agreement, for an additional five (5) year term, if upon expiration of the Term:

- (i.) You give us written notice of your desire to renew your Agreement not less than six (6) months nor more than twelve (12) months before the expiration of the Agreement;
- (ii.) You sign our then-current form of Franchise Agreement that may include different Royalty Fees, marketing fees and other fees and charges, and changes in performance criteria and in other terms and conditions, and our then-current Renewal Rights to this Franchise Agreement, which shall, among other things, establish that the Franchise Agreement is for a renewal term with no additional renewal rights, and contain a general release of any and all claims against us or our Affiliates and our and their respective officers, directors, attorneys, shareholders and employees;
- (iii.) You met all of our then-current qualification and training requirements;

(iv.) At our request, you refurbish, remodel, redecorate, and renovate your Store at the commencement of the renewal term to meet our then-current System Standards, including designs and service systems, trade dress and our then-current site criteria;

(v.) You have complied with all of the material terms and conditions of this Agreement or any other agreement between you and us during the initial term; and you and your Owners have been in substantial compliance with this Agreement throughout the Term;

(vi.) All monetary obligations owed by you to us, our Affiliates or your suppliers or creditors, whether pursuant to this Agreement or otherwise, have been satisfied before renewal, and have been paid in a timely manner throughout the Term; and

(vii.) You have the right to continue to lease or own the location of the Accepted Location for the duration of the renewal term.

(viii.) You have not committed three (3) or more material breaches of this Agreement in the preceding twenty-four (24) months prior to expiration.

If you have the right to renew, you must pay a renewal fee of \$2,000. We retain the right to change your fee for any renewal of your Agreement.

We will give you notice, not later than 30 days after receipt of your election to renew, of our decision whether or not you have the right to renew this Agreement pursuant to this Section.

Failure by you (and your Owners) to sign these agreements and releases within 30 days after delivery to you shall be deemed an election by you not to renew the franchise rights for your Store.

D. Our Reservation of Rights.

Except as otherwise expressly provided in this Agreement, we and our Affiliates (and our respective successors and assigns, by purchase, merger, consolidation, or otherwise) retain all of our rights and discretion with respect to the Marks, the System, and Bricks & Minifigs® stores anywhere in the world, and the right to engage in any business whatsoever, including the right to: (1) except within the Territory, operate, and grant to others the right to operate, Bricks & Minifigs® stores at locations and on terms and conditions as we deem appropriate (you acknowledge that these Bricks & Minifigs® stores may be in direct competition with your Store, without regard to any adverse effects of these activities on your Store and without any obligation or liability to you); and (2) sell any products or services under any trade names, trademarks, service marks or trade dress, including the Marks, through other channels of distribution (including wholesale distribution of merchandise to Store, Internet, catalogs, smartphone applications, and other outlets). You acknowledge and agree that, except as expressly provided to the contrary in Section 2A hereof, your rights hereunder shall be non-exclusive. You waive, to the fullest extent permitted under law, all claims, demands or causes of action arising from or related to any of the foregoing activities by us or any of our Affiliates.

We also reserve the right to use the Marks and System to sell any Bricks & Minifigs® products, and other goods, which are similar to those products and services offered by the Franchised Business. This includes, but is not limited to, other channels of distribution such as television, mail order, catalog sales, wholesale sale to unrelated franchises, or over the Internet, or through smartphone applications, or through other forms of electronic media (including social technology, social media and social networking platforms). The Internet is a channel of distribution reserved exclusively to Franchisor, and Franchisee may not independently market on the Internet or conduct e-commerce without Franchisor's express written approval. Franchisor has the sole right to market and sell on the Internet and use the Marks on the Internet, including all use of websites, domain names, URLs, directory addresses, email addresses, metatags, linking, advertising, co-branding and other arrangements, and in all other forms of electronic media. Franchisee may not separately register any domain name or any portion of a domain

name containing the Marks or participate or market on any website or other form of electronic media using the Marks unless Franchisee first obtains written approval from Franchisor. Franchisee's general conduct on the Internet or other forms of electronic media, including Franchisee's use of the Marks or any advertising, is subject to the terms and conditions of this Agreement and any other rules, requirements or policies that Franchisor may identify from time to time.

Additionally, we reserve the right to purchase or be purchased by, or merge with, or combine with, or affiliate with, and thereafter own and operate, and franchise or license others to own and operate, any businesses of any kind that competes directly with Franchisee's Franchise wherever located, including, without limitation, any business that offers products or services the same as or similar to those offered by Franchisee under the System and proprietary marks, within or outside the protected territory.

We also reserve the right to implement multi-area marketing programs which may allow Franchisor or others to solicit or sell to Customers or potential Customers anywhere, as set forth in Section 10. In such a program, Franchisee will have the option of servicing any Customer within its Protected Territory. Franchisor also reserves the right to issue mandatory policies to coordinate such multi-area marketing programs.

3. FRANCHISE FEES.

A. Initial Franchise Fee.

You shall pay to the Company a nonrecurring and nonrefundable initial franchise fee of **\$25,000** payable when you sign this Franchise Agreement (the "Franchise Fee"). The Franchise Fee shall be fully earned by the Company when paid.

B. Royalty Fees.

You shall pay to the Company a continuing fee equal to 6% of the monthly Gross Revenues of the Store (the "Royalty Fee") or \$500 ("Minimum Royalty Fee"), whichever is greater. Payment shall be due monthly on the 10th day of the month for the preceding month by 5:00 p.m., MST or at such other date and time as Franchisor may designate upon reasonable advance notice. During the first partial month during which you operate your Store, the Royalty Fee and not the Minimum Royalty Fee will apply. The Minimum Royalty Fee will become effective during your first full month of operation. Any payment or report not actually received by us on or before this date shall be deemed overdue. If any state imposes a sales or use tax on continuing royalties, then you must pay for or reimburse us for these taxes imposed on the Royalty Fee or Minimum Royalty Fee due to us under this Agreement. As set forth under Section 3D, you acknowledge that we have the right to transfer information from your Store's systems via a remote-access, e-mail, web-based programs and protocols, Internet, the Franchise Website, or other types of electronic data transfer to determine your Store's Royalty or Minimum Royalty Fee for the previous Reporting Period.

"Gross Revenues" shall mean the total of all receipts derived from any source related to, or in connection with, the operation of your Store. Without limiting the generality of the foregoing, this definition includes, without limitation the following:

- all revenue accrued from the performance of services and the sale of products in, at, upon, about, through or from the Store, online or any other marketplace;
- all forms of consideration, including, without limitation, cash, credit (regardless of collection), payment in kind, fair market value for any service or product you receive in barter or exchange for your services, and any other type of benefit, value or remuneration that you receive (or defer to receive in the future); and
- insurance proceeds and/or condemnation awards for loss of sales, profits or business.

Notwithstanding the foregoing, "Gross Revenues" shall not include revenues from any sales taxes or other add on taxes collected from customers by Franchisee for transmittal to the appropriate taxing authority, gratuities

paid by customers to Franchisee's employees, the amount of cash refunds to customers, customer discounts, manager-authorized and/or customer loyalty program discounts, allowances and charge-backs the Franchisee in good faith gives to customers. The sale and delivery of all Products and Services away from the Store will be included in computing Revenue. The retail value of any complimentary services or trades for products or services you provide is limited to a maximum of 2% of Revenue in the aggregate.

C. Product and Vendor Assessment Fee

Franchisee will pay an assessment fee for our approval of any product and any vendor or supplier (to the extent not then on Franchisor's list of approved products or vendors), which may also require third party testing. The assessment fee is \$100 for a single product and/or vendor or supplier; and \$300 for up to twenty (20) products under the same vendor or supplier that Franchisee wishes to use and/or substitute in the Store. We may waive these fees if the products, vendors or suppliers that the Franchisee selects meet our requirements and make it on our approved list of products, vendors or suppliers for all Franchise locations.

Franchisee must obtain our written approval for the use of such products, vendors or suppliers in the Franchise. Franchisor will have thirty (30) days following the receipt of Franchisee's written request to approve or disapprove proposed products, vendors or suppliers. If Franchisor does not approve the proposed products, vendors or suppliers by written notice to Franchisee within this thirty (30) day period, all such items will be deemed disapproved. Franchisee also acknowledges that the cost for third party testing is Franchisee's responsibility.

D. Interest and Late Fees.

If any payment is overdue, you shall pay to us, in addition to the overdue amount, interest on this amount from the date it was due until paid, at a rate which is stated below or the maximum rate permitted by law. Entitlement to this interest shall be in addition to any other remedies we may have. Your failure to have sufficient funds available in the designated account in an amount equal to any amount then due or your failure to pay all amounts when due, constitutes grounds for termination of this Agreement, as provided in Section 14, notwithstanding the provisions of this Paragraph. To compensate the Company for its increased administrative costs of handling late payments, the Company shall have the right to charge a fee of \$50 for each delinquent payment to the Company, due upon making the delinquent payment. All Royalty Fees and advertising contributions, and all other amounts which you owe to the Company shall also bear interest after due date at the highest applicable legal rate for open account business credit, not to exceed 1.5% per month. You acknowledge that this Paragraph shall not constitute the Company's agreement to accept these payments after same are due or commitment by the Company to extend credit to, or otherwise finance your operation of, the Store.

E. Application of Payments.

Notwithstanding any designation by you, the Company shall have the sole discretion to apply any payments by you to any past due indebtedness by you for Royalty Fees, advertising contributions, purchases from Company, interest or other indebtedness. All such payments to the Company shall be made by automatic withdrawal (ACH) from an account designated by you. All costs and expenses of establishing and maintaining this designated account, including transaction fees, shall be paid by you. You must complete any form necessary to authorize and direct your bank or financial institution to pay and deposit any payments due to the Company directly to the Company's account. The Company's current form of ACH authorization is attached as Schedule 6. You must maintain sufficient funds in your account to cover all such withdrawals. If sufficient funds are not available in the designated bank account at the time of an electronic transfer to pay fees that are due to us or our Affiliates, we will charge a service fee of \$30 per occurrence, subject to applicable law. Also, you acknowledge that your failure to have sufficient funds available in the designated account in an amount equal to any amount then due, constitutes grounds for termination of this Agreement, as provided in Sections 14. You agree that you will not withhold payment of any amount due and payable to us on the grounds that we have not performed any of our obligations under this Agreement. Any amounts owed due to insufficient funds will also be subject to late fees as disclosed in the paragraph above, as well as additional accrued interest expense on delinquent amounts.

4. DEVELOPMENT AND OPENING OF THE STORE.

A. Site Selection.

Franchisee assumes all costs, liability, expense and responsibility in locating, obtaining and developing a site for the Store. We will furnish you with our standard site selection criteria and assistance for Bricks & Minifigs® stores, as we periodically may establish and modify. A typical Bricks & Minifigs® store has approximately 1,000-3,000 square feet of space. The space for a Bricks & Minifigs® store must be enclosed and separate from other businesses with its own locking door. Franchisee may buy or lease the required real property and improvements from any source and on terms approved by Franchisor in writing. All improvements to the Store must be approved by Franchisor. You may also at times, and at our discretion, be required to utilize the services of an Approved Supplier, to assist you in ascertaining the most viable site for your Bricks & Minifigs® stores. We may also provide such on-site evaluation of sites proposed pursuant hereto as we deem necessary or appropriate.

You must lease, sublease or purchase the Accepted Location within 30 days after signing this Agreement. We must approve the terms of any lease, sublease or purchase contract for the Accepted Location, and you must deliver a copy to us for our approval before you sign it along with the Lease Addendum, attached as Schedule 4. You agree that any lease or sublease for the Accepted Location must, in form and substance be satisfactory to us; and it must include all of the provisions set forth in Schedule 4. You may not sign a lease, sublease or purchase contract or any modification thereof without our written approval. Our approval of the Accepted Location is based upon, and made in reliance on, information you furnish and representations you make to us with respect to the size, appearance and other physical characteristics of the Accepted Location, photographs of the Accepted Location, and demographic characteristics, traffic patterns, competition from other businesses in the area and other commercial characteristics (including the purchase price, rental obligations, and other lease terms).

Our approval of the Accepted Location, lease, sublease, or purchase contract, and any information communicated to you regarding the Accepted Location do not constitute an express or implied representation or warranty of any kind, including, but not limited to, its fairness or as to the suitability of the Accepted Location for a Bricks & Minifigs® stores or as to your ability to comply with the terms of the lease or for any other purpose. Our approval of the Accepted Location, lease, sublease or purchase contract indicates only that we believe that the Accepted Location falls within our criteria as of the time period encompassing the evaluation. We do not, by virtue of approving the Accepted Location, lease, sublease or purchase contract, assume any liability or responsibility to you or to any third parties. You acknowledge that you have the sole responsibility for obtaining the advice of your own professional advisors before you lease, sublease, or purchase the Accepted Location. Franchisor encourages Franchisee to seek independent counsel from a lawyer or business advisor to assist Franchisee in negotiating a lease for the Franchised Business.

If a site for your Store has not been agreed upon by the Parties by the time this Agreement is signed, we will approve a site for your Store in accordance with the provisions found in this Section and you must sign and comply with the Site Selection Addendum attached as Schedule 7:

You must submit to us, in accordance with procedures we periodically establish, a complete site proposal form, (the "Site Proposal Package"), containing demographics information, traffic patterns, access, visibility, location of other toy stores (including other Bricks & Minifigs® stores) and size, condition, configuration, appearance and other physical characteristics of the site and all other information that we reasonably require for each site for a Bricks & Minifigs® stores that you propose to develop and operate and that you in good faith believe to conform to our then-current standard selection criteria for Bricks & Minifigs® stores;

We will approve or reject each site for which you submit to us a complete Site Proposal Package in accordance with this Section and, if we approve the site, we will do so by delivering our standard Site Approval Letter. Our Site Approval Letter, duly signed by us, is the exclusive means by which we approve a proposed site. We will use all reasonable efforts to make a site approval decision and, if the

site is approved, deliver a Site Approval Letter to you within 30 days after we receive the complete Site Proposal Package and any other materials we have requested. In deciding whether to approve or reject a site you propose, we may consider the factors as we, in our sole discretion, deem appropriate, including the general location and neighborhood, demographics information, traffic patterns, access, visibility, location of other Store (including other Bricks & Minifigs® stores) and size, condition, configuration, appearance and other physical characteristics of the site. Our approval of a proposed site does not constitute a warranty or representation of any kind, express or implied, as to the suitability of the proposed site, but merely signifies that we are willing to grant the right to a franchise for a Bricks & Minifigs® stores at that location in accordance with the terms of this Agreement. Your decision to develop and operate a Bricks & Minifigs® stores at any site is based solely on your own independent investigation of the suitability of the site for a Bricks & Minifigs® stores. In consideration of our approval of a proposed site, you and your Owners agree to release us, and our Affiliates, shareholders, members, officers, directors, employees, agents, successors and assigns from any and all loss, damages and liability arising from or in connection with the selection and/or approval of this site for the development of a Bricks & Minifigs® stores.

You must provide any other information or materials as we may require, such as a letter of intent or other document which confirms your favorable prospects for obtaining the proposed site.

B. Acquisition or Lease of Accepted Location.

Unless you own the Accepted Location, you must obtain any necessary lease or sublease for the Accepted Location. Unless we otherwise agree in writing, we will not assist you in the process of obtaining and/or negotiating a lease or sublease for the Accepted Location. In any event, you must obtain our approval of the terms of the lease or sublease, or purchase contract or any modification thereof, for the Accepted Location before signing the lease or sublease. You agree that any lease or sublease for the Accepted Location must, in form and substance satisfactory to us, include all of the provisions set forth on Schedule 4, unless otherwise approved by us. You agree to indemnify and hold us and our Affiliates harmless from any breach of the lease even though we or one of our Affiliates may elect to assume the lease upon your termination.

If you, one of your Owners, or one of your Affiliates at any time owns the Accepted Location, you must immediately notify us and we may require that you or this Owner or Affiliate (1) enter into an agreement with us in recordable form granting us the right and option, in the event of a termination (for whatsoever reason) of the Franchise Agreement, to lease the Accepted Location at fair market rental rates for a term coterminous with the term of the Franchise Agreement for these Accepted Location; or (2) enter into a prime lease with us at fair market rental rates for a term coterminous with the term of the Franchise Agreement for these Accepted Location and a sublease with us on the same terms as the prime lease. The prime lease and sublease referenced in the preceding sentence shall be on the then-current lease and the sublease forms used by us.

If the lease for your Store is terminated, at no fault of Franchisee, before the end of the Term, you may move your Store to another location chosen in accordance with our site evaluation and approval process found in Section 4.A. The new location (1) must be in the original Store's Territory, as determined by us, and (2) may in no case infringe upon a franchise agreement or other agreement applicable to another Store.

If you lose possession of your Store's Accepted Location because the lease expired by its terms, or on account of condemnation or eminent domain proceedings, you must initiate the relocation procedure in time to lease, build-out and open your Store for business within 60 days after the original Store closes. If your lease is terminated on account of a fire or other casualty, you must initiate the relocation procedure in time to lease, build-out and open your Store for business within 90 days from the date of such casualty.

C. Development of the Store.

Franchisee must select and employ licensed contractors reasonably acceptable by us for the complete build out and/or any leasehold improvements. Franchisee is solely responsible for the selection and work of any

contractor selected and/or employed by Franchisee, even if referred by us, and for the preparation of architectural and working drawings necessary to complete construction and/or build out at the approved Store. Franchisee will be provided with mandatory requirements and specifications (interior and exterior) for the build out of the Store which includes specifications for Store layout, storage, furnishings, fixtures, décor and signage. Franchisor must review Franchisee's architect's final plans prior to implementation. Such plans and specifications are subject to alteration as may be necessary in Franchisor's sole discretion and Franchisee must be in full and strict compliance with plans and specifications approved by us. Franchisee is responsible for the cost and installation of all build out specifications. Franchisor reserves the right to receive rebates, commissions or other forms of consideration from designated or approved suppliers involved in the construction or fixturing of the Store and to use such rebates, commissions or other consideration in any way Franchisor deems appropriate in Franchisor's sole discretion, without obligation to share or remit any portion of such rebates, commissions or other consideration to Franchisee.

We would expect that a Bricks & Minifigs® business location would need construction improvements. Costs may vary widely depending on such factors as property location, the condition of the property and the extent of alterations required for the property. Franchisee shall be responsible for obtaining all zoning classifications, health, sanitation, clearances, permits and certifications which may be required by state or local laws, ordinances, or regulations or which may be necessary or advisable owing to any restrictive covenants relating to Franchisee's location. After having obtained such approvals and clearances, Franchisee shall submit to Franchisor, for Franchisor's approval, final plans for construction based upon the preliminary plans and specifications. Once approved by Franchisor, such final plans shall not thereafter be changed or modified without the prior written permission of Franchisor. Any such change made without Franchisor's prior written permission shall constitute a material default under this Agreement and Franchisor may withhold its authorization to open the Store until the unauthorized change is rectified (or reversed) to Franchisor's reasonable satisfaction.

Franchisee shall comply with all federal, state and local laws, codes and regulations, including without limitation, the applicable provisions of the ADA regarding the construction, design and operation of the Store. If Franchisee receives any complaint, claim or other notice alleging a failure to comply with the ADA or other law or regulation related to health or safety, Franchisee agrees that it shall provide Franchisor with a copy of such notice within five (5) days after receipt thereof.

Franchisee shall construct, furnish and open the Store according to the requirements contained herein, and Franchisee shall open the Store by the Opening Deadline. Time is of the essence. Prior to opening for business, Franchisee shall provide Franchisor with evidence of lean-free completion of all work (including, without limitation, any and all mechanic leans) and to comply with all pre-opening requirements set forth in this Agreement (including without limitation those with respect to minimum expenditures on grand opening marketing and promotion), the Operations Manual, and/or elsewhere in writing by Franchisor.

Franchisee shall not open the Store until Franchisor has determined that all construction has been substantially completed, and that such construction conforms to Franchisor's standards including, but not limited, to materials, quality of work, furnishings, fixtures, signage, decor, paint and Franchisor has given Franchisee written approval to open, which approval shall not be unreasonably withheld. Franchisor's approval to open the Store does waive of Franchisor's right to require Franchisee to conform the Store to Franchisor's standards.

D. Furnishings, Fixtures, Equipment and Signs.

You must purchase or lease all required furnishings, fixtures, equipment and signs for your Store. You must purchase, lease, or use in the development and operation of the Store only those brands, types or models of fixtures, furnishings, signs, supplies, services, and equipment and the design, architectural and construction services that the Company has approved. As discussed above, we will provide to you the names of our approved vendors for your furniture, fixtures, equipment and signs. Occasionally, we may modify the list of approved types, brands, models and/or suppliers, and you may not, after receipt of notice of this modification, reorder any type,

brand or model from any supplier that is no longer approved. After your Store opens, you agree not to alter its fixtures, equipment, signs, or furniture without our express prior written approval.

You further agree to place or display at the Accepted Location of the Store only such signs, emblems, marketing materials, lettering, and logos that are periodically approved in writing by the Company. You must display in your Store all required informational, directional, wayfinding, and descriptive signage as well as any other branding, advertising, and marketing materials we provide you pursuant to Section 10 of this Agreement.

In operating your Store, you must establish and maintain a bookkeeping, accounting, record keeping and data processing system conforming to the requirements and formats that we prescribe; including, a common chart of accounts and methodology format, submission process and timeline, and you must use the operational data control system approved by us, as further detailed in the Manual. You must furnish us periodic reports, which include and are not limited to, monthly gross revenue reports and monthly profit and loss statements and balance sheets. You must provide such period reports in a timely manner as noted in Section 11 of this Franchise Agreement.

You must also purchase front of house and back-office computer system with the appropriate hardware and software. You must purchase the appropriate word processing, spreadsheet, internet browser, anti-virus, firewall, spyware protection, point of sale software and any other software we may choose to require. You also must pay any fees associated with the required software and POS systems.

You must provide assistance as may be required to connect your Store's computer system with our centralized computer systems. We shall have the right to periodically retrieve this data and information from your computer system deemed necessary or desirable, and you must fully cooperate with these efforts. In view of the contemplated interconnection of computer systems and the necessity that these systems be compatible with each other, you agree that you will comply strictly with all defined standards and specifications for items associated with your computer system.

To ensure operational efficiency and optimum communication capability among computer systems installed at Bricks & Minifigs® stores, you agree, at your expense, to keep your computer systems in good maintenance and repair, and to promptly install these upgrades, additions, changes, modifications, substitutions, and/or replacements of hardware, software, data connectivity, electrical power, and other computer-related facilities, as we direct.

You must upgrade or replace financial and inventory data processing and communications systems to conform with then current security requirements and system upgrades, whenever we require it. You will be responsible for the cost of such upgrades.

E. Store Opening.

You must open the store and be operational within 180 days of signing this Franchise Agreement (the "Opening Deadline"). Any variance or extension of the Opening Deadline must be obtained from us in writing.

We will provide you with access to our Pre-Opening Manual to assist you in the pre-opening process. You will prepare and furnish to the Company an opening, advertising and promotional plan and budget for the Store that will contain a time line for opening and budget for publicity, advertising, promotion, staffing, decoration and operation during the Opening Period ("Grand Opening Plan"). You must submit a Grand Opening Plan (including the budget) to us for approval at least 90 days before your Store's targeted Grand Opening date. You must use the types of advertising media specified in the Grand Opening Plan and the Pre-Opening Manual. You must spend not less than five thousand Dollars (\$5,000) for advertising and promotion of the opening of the Store (the "Grand Opening Expenses"). The Grand Opening Expenses will be for materials and marketing services expenses—such as media costs—and will not include staffing costs. You must submit proof of then current advertising and marketing expenditures to us 10 days before the opening of your Store. Your Grand Opening Plan

must be implemented 30 days before your Store's targeted Grand Opening date and for 30 days following the commencement of the Store's Grand Opening event.

We will also provide you with opening operational assistance as set forth below to assist you in starting your operations, including on-site opening assistance, as scheduled by us. You may be required to pay for the expenses of personnel, including airline and other transportation costs, meals, lodging and salaries.

5. TRAINING AND GUIDANCE.

A. Initial Training.

Franchisor will provide the initial training program at its headquarters or another location of its choice. Despite any provision in this Agreement to the contrary, Franchisor has no obligation to provide the initial training program to Franchisee at Franchisor's expense except for the Franchisee's first franchise. Initial training will take place after Franchisee pays the initial Franchisee fee, but before Franchisee opens the franchised business. Franchisor will provide this initial training (approximately five (5)-day training program at corporate headquarters) without charge for up to three individuals, which must be your Owners, at least sixty (60) days before the date the Franchisee anticipates opening the Store (the "**Initial Training Program**"). Franchisee will, however, be responsible for travel, accommodation and other costs for all its attendees. Franchisee must attend and satisfactorily complete this training at least sixty (60) days before the date the Franchisee anticipates opening the Store. If Franchisee fails to complete the Initial Training Program to Franchisor's satisfaction, Franchisor may terminate this Agreement as described in Section 14. Thereafter, any Owner designated by Franchisee to replace a previously trained owner may be trained by Franchisor (in Franchisor's discretion) within thirty (30) to ninety (90) days of replacement, at Franchisee's cost as provided below.

As part of the Initial Training Program, Franchisor will provide Franchisee with: Product knowledge and specifications, strategies for purchasing Products, inventory management, POS system and software operations, techniques in efficiencies, operational standards, customer service, hiring guidelines and standards, safety procedures, sales and merchandising, suggested pricing for Products and Services in addition to Franchisor's proprietary Software programs as described in Section 8 that may have been developed by us (or our affiliates) and required in the operation of each Store. Franchisor reserves the right, in its sole discretion, to add, modify and change such training from time to time. Franchisee will be responsible for all costs associated with the administration of such changes.

B. Pre-opening training

Franchisor will provide up to three (3) days of pre-opening and/or grand opening supervision and assistance at Franchisee's Store prior to opening. We will endeavor to complete such training within thirty (30) days before the Store Grand Opening Date and after the initial five (5)-day training has been completed to Franchisor's satisfaction. Franchisor's costs associated with this pre-opening/grand opening supervision and assistance are incurred by the Franchisor for Franchisee's first Franchise only. Franchisor will not provide this supervision and assistance at Franchisor's expense for Franchisee's second or subsequent Franchise. Additional support requested by Franchisee will be subject to the training charges as described in this Section.

C. Additional training, assistance, and conventions

Franchisor may reasonably require Franchisee and its Owners (and new or replacement Owners) to receive or attend and complete to Franchisor's satisfaction additional or advanced training from time to time. Franchisee may be required to pay for such training at Franchisor's reasonable then-current training fees. Franchisee must also pay travel, food, and accommodations and all other related expenses. Franchisor will attempt to use distance learning techniques where possible, to minimize these costs.

Depending on availability, Franchisor may provide additional training to Franchisee for Franchisee's Owners at Franchisee's request. Franchisee may be required to pay Franchisor the charges that Franchisor reasonably determines. Franchisee will be responsible for travel, room and board and other expenses of trainees.

Franchisor shall also offer additional training resources to the Franchisee to be determined by Franchisor, for the operation, advertising and promotion of the Franchise including refresher training programs, seminars, workshops, annual conference and information available through the franchise website for the benefit of the Franchisee and the Franchisee's employees. Franchisor may charge a reasonable fee for additional training if Franchisor deems appropriate (distinct from Continuing Education). Any and all travel, living, lodging and other expenses incurred by the Franchisee or Franchisee's representatives or employees attending Franchisor's training shall be paid by Franchisee.

D. Hiring and Training of Employees by Franchisee.

You are responsible for all employment decisions with respect to your staff, including hiring, firing, compensation, training, supervision and discipline, regardless of whether you receive advice from us on any of these subjects. You may not recruit or hire any person who is an employee of ours or of any Bricks & Minifigs® stores operated by us, our Affiliates or another franchisee of ours without obtaining the respective employer's consent, which consent may be withheld for any reason. You must maintain at all times a staff of employees, who have been trained pursuant to our guidelines and requirements, sufficient to operate the Store in compliance with the System Standards.

E. Operations Manual and pre-opening manual.

During the Term of this Agreement, we will provide you with access to the Bricks & Minifigs® operations manual (the "**Operations Manual**") and our Pre-Opening Manual (the "**Pre-Opening Manual**") (collectively, the "**Manuals**"). The Manuals contain mandatory and suggested specifications, standards and operating procedures that we prescribe for Bricks & Minifigs® stores, and contains information relating to your other obligations under this Agreement. You must comply fully with all mandatory standards, specifications, and operating procedures and other obligations contained in the Manuals. We have the right to modify the Manuals in the future to reflect changes in the image, specifications, standards, procedures, system, and System Standards. It is your responsibility to keep your Operations Manual current by checking for all updates and revisions, which updates and revision swill be posted online. If a dispute develops relating to the contents of the Manuals, our master Manuals will be controlling. The Manuals contains Confidential Information, and you agree not to copy at any time any part of the Manuals, either physically or electronically, provided that you may print out one current copy of any Manuals that we provide in electronic format and keep it at the Accepted Location of your Store. You agree not to allow unauthorized persons access to the Bricks & Minifigs Google workspace shared drive; the Slack communications platform or any other franchisee-only portal that Franchisor may provide (the "Intranet"). Unauthorized use of the Manuals or the System will constitute a breach of this Agreement and an infringement of our proprietary rights, including trade secrets and copyrights. You must promptly report any unauthorized use of the Manuals or other Confidential Information to us immediately.

6. THE MARKS.

A. Ownership and Goodwill of the Marks and Trade Secrets.

You acknowledge that the Company and its Affiliate ("**Licensor**") are owners of certain rights to the Marks, that your right to use the Marks is derived solely from this Agreement and is limited to the conduct of business by you pursuant to and in compliance with this Agreement and all applicable standards, specifications and operating procedures prescribed by the Company periodically during the term of the Franchise. Any unauthorized use of the Marks by you shall constitute a breach of this Agreement and an infringement of the rights of the Company and/or Licensor in and to the Marks. You acknowledge and agree that all usage of the Marks by you and any goodwill established by it shall inure to the exclusive benefit of the Company and/or Licensor and that this Agreement does not confer any goodwill or other interests in the Marks upon you (except the right to operate a Bricks & Minifigs® stores in compliance with this Agreement). All provisions of this Agreement applicable to the Marks shall apply to any additional proprietary trade and service marks and commercial symbols authorized for use by and licensed to you by the Company. You acknowledge that as of the date of the Franchise Agreement, some or all of the Marks may not have been registered with any state or federal agency. You may not

at any time during or after the Term contest, or assist any other person or entity in contesting, the validity or ownership of any of the Marks.

You hereby acknowledge that Franchisor or one or more of Franchisor's affiliates own and control the distinctive plan and trade secrets for establishing, operating, and promoting Bricks & Minifigs® stores and all related licensed methods of doing business which include, but are not limited to, technical Store standards; customer relations; vendor relations; marketing techniques and content; written promotional materials, Manuals, and Training Program Manual contents; advertising strategies; financial reports and financial dashboards; and accounting systems; all of which constitute trade secrets and may have been licensed to Franchisor, and you acknowledge that Franchisor and its Affiliates have valuable rights in and to these trade secrets. You further acknowledge all innovations, additions, or improvements made to the Marks or System Standards, even if by you, shall belong to Franchisor and/or its Affiliates.

B. Limitations on Franchisee's use of the Marks.

You must use the Marks as the sole identification of the Store, provided that you are identified as the independent owner in the manner prescribed by the Company. You must use only the Marks as we prescribe in connection with your Store and the sale of authorized services and products. You shall ensure that all Copyrights used hereunder shall bear an appropriate copyright notice under the Universal Copyright Convention or other copyright laws prescribed by us. Any unauthorized use, adaptation, publication, reproduction, preparation of derivative works, distribution of copies (whether by sale or other transfer or ownership, or by rental, lease or lending), or attempts to recreate all or a portion of these Copyrights shall constitute a breach of this Agreement and an infringement of the rights of the Company and/or Licensor in and to the Marks and to the Copyrights. You shall not use any Mark (or any abbreviation, modification or colorable imitation) as part of any corporate or legal business name or trade name or any Internet-related use such as an electronic media identifier, for websites, web pages or domain names not expressly authorized by us in writing, or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed to you under this Agreement), or in any modified form or in any other manner; nor may you use any Mark in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized in writing by the Company. You must prominently display the Marks in the manner prescribed by the Company, and give notices of trade and service mark registrations as the Company specifies and to obtain fictitious or assumed name registrations as may be required under applicable law. In addition to all other rights we may have regarding unauthorized use of the Marks or the sale of unauthorized products or services, you must reimburse us for any damages, liability or expenses incurred by us arising out of your sale of any unauthorized product or service. If any of the fees payable pursuant to this Section are for the right to use the System Standards, these fees are all-inclusive and are not allocated among any of the various rights, including the Marks or any components of the Marks, that compromise the System Standards.

Franchisor retains the sole right to market and sell on the Internet and use the Marks to market on the Internet, including all use of Web sites, domain names, URLs, directory addresses, email addresses, metatags, linking, advertising, and co-branding and other arrangements, and in all other forms of electronic media. Franchisee may not: (i) establish a presence on the Internet except as we may specify, and only with our prior written consent; (ii) separately register any domain name or any portion of a domain name containing the Marks; or (iii) participate or market on any website or other form of electronic media (including social technology, social media and social networking platforms) using the Marks unless Franchisee first obtains written approval from Franchisor. Franchisee's general conduct on the Internet or other forms of electronic media, including Franchisee's use of the Marks or any advertising, is subject to the terms and conditions of this Agreement and any other rules, requirements or policies that Franchisor may identify from time to time. Subject to this Section below, Franchisee may use the Marks for advertising using social media but must first obtain Franchisor's prior written approval, which shall not be unreasonably withheld, conditioned or delayed. Franchisee must sign any internet and intranet usage agreements and policies when developed by Franchisor. Franchisor retains the right to approve or disapprove any linking to or other use of the Web site.

You acknowledge that we are the lawful, rightful, and sole owner of the www.bricksandminifigs.com domain name and unconditionally disclaim any ownership interest in that phrase or any similar Internet domain name. Franchisee shall not establish a Website on the Internet using any domain name containing the words “Bricks & Minifigs” and “Bricks and Minifigs” or any variation thereof or any other words that describe the Bricks & Minifigs® business as determined by us, in our sole discretion, which may change from time to time. Franchisee acknowledges that we have all right, title and interest in and to such domain names, as we shall designate in the Operations Manual. Franchisee must comply with our requirements regarding discussing, advertising or disseminating any information, or otherwise having a presence on a Website, regarding the Store.

If we approve a separate Website (which we are not obligated to do), then each of the following provisions will apply: (i) Franchisee may neither establish nor use any Website without our prior written approval; (ii) before establishing any Website, Franchisee must submit to us, for our prior written approval, a sample of the proposed Website, including its domain name, format, visible content (including, without limitation, proposed screen shots), and non-visible content (including meta-tags), in the form and manner we may require; and all such work must be performed by us, our affiliates or approved vendors (Franchisee is responsible for all expenses); (iii) Franchisee must not use or modify a Website without our prior written approval; (iv) Franchisee must comply with the standards and specifications for Websites that Franchisor may periodically prescribe in the Operations Manual or otherwise in writing; and (v) if Franchisor requires, Franchisee must establish hyperlinks to Franchisor’s Website and other Websites; and (vi) Neither Franchisee nor any of its employees shall post any information regarding us or the System, on any Website or any internet site, without our prior written approval, nor any disparaging statement either during or after termination or expiration of the Agreement. Further Franchisee shall educate and make commercially reasonable efforts to monitor its employees to help avoid them making any such postings. Franchisor retains the right to pre-approve Franchisee’s use of linking and framing between the Franchisee’s website and all other Websites. The Franchisee shall within five (5) days, dismantle any blogs, frames and links between the Franchisee’s web pages and any other Websites, if and as requested by Franchisor. You agree not to register any Internet domain name in any class or category that contains the words Bricks & Minifigs, or any abbreviation, acronym, or variation of those words or any part of our Marks.

C. Notification of Infringement and Claims.

You shall immediately notify the Company of any apparent infringement of or challenge to your use of any Mark, or claim by any person of any rights in any Mark, and you shall not communicate with any person other than the Company and its counsel in connection with any infringement, challenge or claim. The Company and/or Licensor shall have sole discretion to take action as it or they deem appropriate and shall have the right to exclusively control any litigation or U.S. Patent and Trademark Office proceeding or other administrative proceeding arising out of any infringement, challenge or claim or otherwise relating to any Mark. You must sign any and all instruments and documents, render assistance and do such acts and things as may, in the opinion of the Company’s or Licensor’s counsel, be necessary or advisable to protect and maintain the interests of the Company and Licensor in any litigation or proceeding or to otherwise protect and maintain the interests of the Company and Licensor in the Marks.

D. Indemnification of Franchisee.

The Company agrees to indemnify you against and to reimburse you for all damages for which you are held liable in any proceeding arising out of his use of any Mark, pursuant to and in compliance with this Agreement and for all costs reasonably incurred by you in the defense of any claim or in any proceeding in which you are named as a party, provided that you have timely notified the Company of this claim or proceeding and have otherwise complied with this Agreement. The Company is entitled to prosecute, defend and/or settle any proceeding arising out of your use of any Mark pursuant to this Agreement, and if the Company undertakes to prosecute, defend and/or settle any matter, we have no obligation to indemnify or reimburse you for any fees or disbursements of any legal counsel retained by you.

E. Discontinuance of use of the Marks.

If it becomes advisable at any time in the Company's sole discretion for the Company and/or Franchisee to modify or discontinue use of any Mark and/or use one or more additional or substitute elements of the Mark due to priority of use by another party of the same or a confusingly similar mark, and/or use one or more additional or substitute trade or service marks, you must comply within 14 days after notice by the Company of its modification or discontinuance of any Mark. Neither the Company, Licensor nor any of their Affiliates shall have any liability or obligation whatsoever with respect to any required modification or discontinuance of use of any of the Marks or the promotion or use of a substitute Mark, except as otherwise provided in Section 6 hereof.

7. **YOUR ORGANIZATION AND MANAGEMENT.**

A. Organizational Documents.

If you are, or at any time become, a business corporation, partnership, limited liability company or other legal entity, you and each of your Principal Owners represent, warrant, and agree that: (1) you are duly organized and validly existing under the laws of the state of your organization, and, if a foreign business corporation, partnership, limited liability company or other legal entity, you are duly qualified to transact business in the state in which your Store is located; (2) you have the authority to sign and deliver this Agreement and to perform your obligations hereunder; (3) true and complete copies of the articles or certificate of incorporation, articles of organization, operating agreement or principles, partnership agreement, bylaws, subscription agreements, buy-sell agreements, voting trust agreements and all other documents relating to your ownership, organization, capitalization, management and control ("Organizational Documents") shall be promptly delivered to us for our approval, which approval shall not be unreasonably withheld; (4) any and all amendments, deletions and additions to your Organizational Documents shall be promptly delivered to us for our approval, which approval shall not be unreasonably withheld; (5) your activities are restricted to those necessary solely for the development, ownership and operation of Bricks & Minifigs® stores in accordance with this Agreement and in accordance with any other agreements entered into with us or any of our Affiliates; (6) the certificate of incorporation, articles of organization, operating agreement or principles, partnership agreement or other organizational documents recite that the issuance, transfer or pledge of any direct or indirect legal or beneficial ownership interest is restricted by the terms of this Agreement; (7) all certificates representing direct or indirect legal or beneficial ownership interests now or hereafter issued must bear a legend in conformity with applicable law reciting or referring to these restrictions; and (8) you will deliver to us a Secretary/Clerk's Certificate or other evidence satisfactory to us, that the signing, delivery and performance of this Agreement and all other agreements and ancillary documents contemplated hereby or thereby have been duly authorized by all necessary action by your corporation, partnership, limited liability company or other legal entity, as applicable.

B. Disclosure of Ownership.

If Franchisee is an entity (a corporation, general partnership, joint venture, limited partnership, limited liability partnership, limited liability company, trust, estate or other business entity), then Franchisee will complete the Ownership Addendum attached as Schedule 2, which identifies each of its, and each of its Entity Owners must sign the Company's then-current form of Personal Guaranty. "**Entity Owner**" means, with respect to an Entity, any shareholder owning directly or beneficially 10% or more of any class of securities of the Entity; any general partner or co-venturer in the Entity; any partner in a limited liability partnership or member in a limited liability company owning directly or beneficially 10% or more of the ownership interests in the limited liability partnership or limited liability company; the trustees or administrators of any trust or estate; and any beneficiary of a trust or estate owning, directly or beneficially, 10% or more of the interests in the trust or estate. It is the intent of this definition to "trace back" and include within the definition of Entity Owner all natural persons owning the requisite interests to qualify as Entity Owners. Each of you, your Entity Owners, if any, and your and their respective spouses, parents, brothers, sisters, children, whether natural or adopted, and other members of their immediate household, are considered "**Restricted Persons**" as this term is used herein.

You and each of your Principal Owners represent, warrant and agree that Schedule 2 is current, complete and accurate. You agree that an updated Schedule 2 will be furnished within 30 days of any change, so that Schedule 2 (as so revised and signed by you) is at all times current, complete and accurate. Each person who is or becomes a Principal Owner must sign a guaranty in the form we may choose to prescribe, undertaking to be jointly and severally bound by the terms of this Agreement, the current form of which is attached as Schedule 3. Each person who is or becomes an Owner, but not a Principal Owner, must sign an agreement in the form we prescribe, undertaking to be bound by the confidentiality and non-competition covenants contained in this Agreement, the current form of which is attached as Schedule 5. Each Owner must be an individual acting in his/her individual capacity, unless we waive this requirement.

C. Operating Partner/Management of Business.

If you are, or at any time become, a business corporation, partnership, limited liability company or other legal entity, you must designate in Schedule 2 as the “Operating Partner” an individual approved by us who must: (1) in our discretion, own and control, or have the right to own and control (subject to terms and conditions reasonably acceptable to us), not less than a 10% interest in your equity; (2) have the authority to bind you regarding all operational decisions with respect to your Bricks & Minifigs® stores; and (3) have completed our training to our satisfaction.

You (or your Operating Partner): (1) shall exert your full-time and best efforts to the development and operation of your Store and all other Bricks & Minifigs® stores you own; and (2) may not engage in any other business activity, directly or indirectly, that requires substantial management responsibility or time commitments or otherwise may conflict with your obligations hereunder.

D. General Manager.

An essential element of the Store is the selection, training, and overall performance of our store managers. Optimum General Manager performance requires specialized Store leadership in the form of a duly trained store manager (we provide the appropriate training). To ensure the integrity and quality of our Store, the store manager must be on-site during business hours. We may periodically change the organizational structure of the Store, in which case you must adopt the then-current structure.

Once you hire your General Manager you must inform us in writing and submit them for the appropriate training. If your Store General Manager is terminated, for whatever reason, you shall inform us in writing of their status. Before their employment, you must have them sign an agreement that they shall not for a period of two years after this termination, recruit or hire any person who is an employee of yours, ours, or any Bricks & Minifigs® stores operated by us, our Affiliates, or any franchisee of ours without obtaining the employer’s consent, which consent may be withheld for any reason.

8. BRICKS & MINIFIGS® OPERATING STANDARDS.

A. Condition of your Store.

You must maintain the condition and appearance of your Store in strict compliance with the Operations Manual. You must maintain your Store’s condition and appearance and make modifications and additions to its layout, décor, operations, and general theme as we periodically require, including interior and exterior repair and appurtenant parking areas, periodic cleaning of your Store, replacement of worn out or obsolete leasehold improvements, fixtures and signs and periodic redecorating. If at any time the general state of repair, appearance, or cleanliness of your Store, or its fixtures, equipment, furniture or signs, does not meet our standards, we may notify you and specify the action you must take to correct this deficiency. If, within 10 days after receiving this notice, you fail or refuse to initiate the requested action(s), we reserve the right to enter the Store and do this maintenance on your behalf and at your expense. You must promptly reimburse us for this expense. We may collect payment for this expense by pre-authorized electronic bank transfer from your general account.

At our request, you must complete any renovation, repair, modernization, and improvement of your Store and its fixtures, equipment, furniture, and signs, as we may deem appropriate. This work may include, without limitation, replacement or addition of signs, equipment, furnishings, fixtures, finishes, and décor items, both interior and exterior, and redesign of the layout of your Store, to reflect the then-current design standards and look of a Bricks & Minifigs® store.

You agree not to make any material replacements of or alterations to the Accepted Location, leasehold improvements, layout, fixtures, furnishings, signs, equipment, or appearance of the Store as originally developed in accordance with the plans and specifications furnished by us without prior written approval by us. Regular maintenance, touch up, and general repair may be conducted without prior authorization from us unless the effort to do so require a substantial change in the appearance and/or reduce the functionality of said item.

B. Uniform Image.

You must display in your Store all the advertising and marketing materials we provide you pursuant to Section 10. Your Store may not be used for any purpose, other than the operation of a Bricks & Minifigs® store in compliance with this Agreement. You agree that your Store will offer courteous and efficient service and a pleasant and fun experience. You must maintain your Store's business hours and days of operation in accordance with the Operations Manual, unless we grant you a written exception.

C. Services, Products and Vendors.

You acknowledge and agree that the reputation and goodwill of Bricks & Minifigs® stores are based on, and can be maintained only by providing a high quality, courteous, safe and fun experience. Therefore, you agree that your Store will use and/or offer only services, products and merchandise, as set forth in the Operations Manual or as otherwise approved by us and as may be periodically modified by us in our sole discretion

Franchise further acknowledges that we have spent considerable time and effort in developing the Products, Services, processes, methods and technology used in the operation of a Bricks & Minifigs® Business. Accordingly, Franchisee acknowledges that Franchisee is required to sell and use only approved Products, supplies, vendors and suppliers that include, but is not limited to: new and used LEGO® building bricks, LEGO® mini figures and accessories, new LEGO® play sets, pre-approved non-LEGO® branded and LEGO® compatible products apparel, LEGO® event and/or season specific merchandise, promotional and advertising materials in addition to supplies (such as packaging materials) for the operation of the Store. Franchisee is prohibited from selling any non-LEGO® branded products or LEGO® compatible branded products not approved by us. Franchisor will provide Franchisee with a list of all pre-approved non-LEGO® branded and LEGO® compatible products that Franchisee is authorized to offer and sell in its Store. Franchisee agrees that we may periodically and upon written notice, add to, modify or change such approved products, supplies, vendors and suppliers. Franchisee agrees to promptly accept and implement, in the operation of the Store, all such additions, modifications and changes at Franchisees expense. In addition, Franchisee acknowledges that:

1. To insure the consistent high quality and uniformity of Products and Services provided by Bricks & Minifigs® franchised businesses, Franchisee must purchase Products, supplies, POS systems, computers, software, cash registers, camera and security systems, marketing and advertising materials for use in the operation of a Bricks & Minifigs®, from Franchisor, its affiliates or approved vendors who demonstrate to Franchisor's continuing satisfaction an ability to meet Franchisor's standards and specifications. The exception to the above is that because of the nature of the re-sale industry, most all Products that need to be purchased for the Store will be from various sources and Franchisee is responsible for identifying such sources, however Franchisor may make arrangements with vendors for certain Products at negotiated costs that would ultimately benefit the entire System. Franchisor is not liable to Franchisee for any loss or damage, or deemed to be in breach of this Agreement, if Franchisor, or its affiliates or approved vendors

and/or suppliers cannot deliver, or case to be delivered, Franchisee's order of Products, supplies or equipment where such items are out-of-stock or discontinued.

2. Franchisee is prohibited from carrying more than ten percent (10%) of all items offered for sale in its Store (including in its inventory of Products on the premises) to be non-LEGO® branded products (from Franchisor's approved list), at all times. Franchisor will provide Franchisee with a list of approved non-LEGO® branded products and LEGO® compatible products during the initial training program (Section 5).
3. THE FRANCHISOR MAKES NO WARRANTIES REGARDING ANY VENDOR PRODUCTS OR SUPPLIES, AND HEREBY DISCLAIMS THE IMPLIED WARRANTY OF MERCHANTABILITY, THE IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, THE IMPLIED WARRANTY OF QUALITY OF COMPUTER PROGRAMS, THE IMPLIED WARRANTY OF SYSTEM INTEGRATION, AND THE IMPLIED WARRANTY OF INFORMATION CONTENT. FRANCHISOR MAKES NO WARRANTY THAT ANY VENDOR PROVIDED SOFTWARE WILL BE BUG FREE, VIRUS GFREE, OR FREE OF TROJAN HORSES OR WORMS. FRANCHISOR MAKES NO WARRANTIES REGARDING ANY OPEN SOURCE SOFTWARE CONTAINED IN ANY VENDOR PRODUCTS OR SUPPLIES. FRANCHISEE HEREBY AGREES THAT SUCH DISCLAIMER IS AN ESSENTIAL PART OF THE BARGAIN, AND THAT THE FRANCHISOR WOULD NOT HAVE ENTERED INTO THIS TRANSACTION ABSENT SUCH DISCLAIMER. Any claim with respect to any vendor related and/or similar matters shall be made only against the vendor in question. Franchisee will provide us with written notice prior to taking any action in connection with such a claim. Franchisor will use diligent efforts to assist Franchisees in resolving any disputes with vendors approved and/or designated by us.
4. Franchisee may be required to use and/or offer for sale any and all branded merchandise or Proprietary Products developed by Franchisor, which will be listed in the Operations Manual. +The term "**Proprietary Products**" is defined as all products, services, supplies, equipment, marketing materials and BAM branded products that have been developed or adopted for specific use for the Bricks & Minifigs brand and system. All products and services of proprietary nature also include all products, services, supplies, equipment, marketing materials and BAM branded products that must be purchased by the Franchisee directly from Franchisor or Franchisor's approved vendors, unless the Franchisee has submitted and received written approval from Franchisor to use an alternate supplier.
5. Franchisee shall not make any changes to the Proprietary Products or any third party products including changing the containers, packaging, labeling, promotional materials, advertising, cartons or the like without Franchisor's prior written approval, which may be withheld in the sole discretion of the Franchisor or manufacturer.
6. Franchisee may not independently act as an exclusive distributor for any third party vendor or secure any exclusive rights to distribute Products and/or Proprietary Products inside or outside of Franchisee's Territory without Franchisor's written consent. Franchisor shall approve or deny Franchisee's request which approval is in its sole discretion, within thirty (30) days of receipt of Franchisee's written request.
7. Franchisee shall not manufacture or produce any product that is similar to, or competes with any of Franchisor's Product, Proprietary Products or third party product, or any product offered or sold in supply stores, retail stores or in any channel of distribution selling similar products without the advanced written consent of the Franchisor or manufacturer, which may be granted or denied

in Franchisor's or the manufacturer's sole discretion. Violation of this Section shall be grounds for immediate termination as specified in this Agreement.

We may conduct market research to determine consumer trends and salability of new services and products. You must cooperate by participating in our market research programs; by test marketing new products and services in your Store and providing us timely reports and other relevant information regarding this market research.

D. Specifications and Standards.

You acknowledge that each and every aspect of the interior and exterior appearance, layout, décor, services and operation of your Store is important to us and is subject to our specifications and standards. Consequently, you must comply with all mandatory System Standards and other specifications, standards and operating procedures and other obligations that we periodically prescribe (whether contained in the Operations Manual or any other written or oral communication to you), unless we grant you a written exception.

More particularly, you must comply with all mandatory specifications, standards and operating procedures, as periodically modified relating to the appearance, function, cleanliness or operation of a Bricks & Minifigs® stores, including: (1) customer service; (2) advertising and promotional programs; ((3) safety, maintenance, appearance, cleanliness, sanitation, standards of service and operation of your Store and its fixtures, equipment, furnishings, décor and signs; (5) days and hours of operation; (6) bookkeeping, accounting, and record keeping systems and forms; and (7) training system for both management and hourly associates.

You must display at your Store a placard of the size and dimension we prescribe containing the following statement: "This Store is owned and operated by a franchisee under a license from BAM Franchising, Inc., the Franchisor." You shall never make a statement or representation to any person that is contrary to or inconsistent with this Agreement.

As soon as you obtain a telephone number for the Store, you will sign and deliver to us the Assignment of Telephone Number(s) for the number(s) attached at Schedule 8. If your Store's telephone number changes during the Term, or if you add additional lines for a modem, fax, or other purposes, you will promptly sign and deliver to us a new Assignment of Telephone Number(s) for the new or additional number(s).

E. Point of Sale and Proprietary Software

Although not currently in effect, Franchisee may be required to use our proprietary software for the operation of the Store. If Franchisor develops proprietary software and requires Franchisee to use such software, Franchisor will provide Franchisee with a ninety (90) day written notice to purchase (if applicable) and use such software for the operation of the Store. Franchisor will provide all update and upgrade requirements for the proprietary software as necessary. The installation, maintenance, repairs and upgrade costs for the proprietary software will be the responsibility of the Franchisee. Usage of any proprietary software ("**Software**"), if developed, will be subject to a separate Software license Agreement which agreement Franchisee agrees to execute.

F. Compliance with Laws and Good Business Practices.

You shall secure and maintain in force all required licenses, permits and certificates relating to the operation of the Store (including any certifications and licenses) and shall operate the Store in full compliance with all applicable laws, ordinances and regulations including all government regulations relating to occupational hazards and health, workers compensation insurance, unemployment insurance and withholding and payment of federal and state income taxes, social security taxes and sales taxes. You must refrain from any business or advertising practice which may be injurious to the Company and the goodwill associated with the Marks and other Bricks & Minifigs® stores. You shall immediately notify the Company in writing of: (1) any action, suit or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency other

governmental instrumentality, which may adversely affect the development, occupancy, operation or financial condition of Franchisee or the Store; or (2) the delivery of any notice of violation or alleged violation of any law, ordinance or regulation, including those relating to health or sanitation at your Store.

G. Personnel.

Your Store must at all times be under the direct, on-location supervision of a Store Manager or assistant manager who has completed our training program. You (or your Operating Partner) at all times must remain active in overseeing the operations of your Store. If the relationship with your Operating Partner terminates, you must promptly hire a successor Operating Partner. Any successor Operating Partner must meet our approval and must successfully complete our training program. You may not recruit or hire any person who is an employee of ours or of any Bricks & Minifigs® stores operated by us, our Affiliates or another franchisee of ours without obtaining the employer's consent, which consent may be withheld for any reason. Likewise, we may not recruit or hire any person who is an employee of yours or your Affiliates without obtaining the employer's consent, which consent may be withheld for any reason.

H. Insurance.

Franchisee must purchase insurance coverage from a carrier with a performance rating of A or higher as rated in the most recent edition of Best Insurance Reports (or comparable criteria as we may specify). Franchisee must maintain such insurance throughout the duration of the initial term of the Franchise Agreement and any renewal terms. Franchisee will procure and maintain general comprehensive liability insurance with a minimum policy limit of \$1,000,000 per occurrence and \$2,000,000 aggregate (this policy should include general tort, premises damages, personal and advertising injury should be at least \$1,000,000) in addition to property and casualty insurance with a minimum policy limit of \$1,000,000 or an amount specified by the Franchisor.

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

For any construction, renovation, refurbishment or remodeling of the site, Franchisee must require that the general contractor maintain, with an approved insurer, commercial general liability insurance (with comprehensive automobile liability coverage for both owned and non-owned vehicles, builders risk, product liability and independent contractor's coverage) with limits of no less than \$1,000,000 per claim, naming Franchisee and us as additional insureds, as their interests may appear, together with workers' compensation and employer's liability insurance as required by law and as required by the lease. It is Franchisee's responsibility to obtain certificates of insurance from the contractor prior to the initiation of any construction.

To the extent available, Franchisor may require Franchisee to acquire automobile liability insurance with coverage of owned and hired vehicles with minimum coverage in amounts not less than \$1,000,000 combined single limit (bodily and property damage) or what is in accordance with Franchisee's state guidelines), professional liability insurance, product liability insurance, employer's liability insurance, crime insurance as well as other disability benefits type insurance as may be required by the statute or rule of each State, with policy limits of \$1,000,000 or in the amount Franchisor specifies.

All insurance policies will name Franchisor as certificate holder and additional named insured with waiver of subrogation against Franchisor. Franchisor may establish minimum standards for coverage to be met by underwriters for insurance. Before beginning operations, Franchisee will obtain any other liability insurance required by law, provide Franchisor with certificates of insurance within ten (10) days of issuance, and maintain all required insurance during the term of this Agreement. Franchisee shall also furnish Franchisor with certificates and endorsements evidencing insurance coverage within ten (10) days after each of the following events (i) at all policy renewal periods, no less often than annually and (ii) at all instances of any change to, addition to or replacement of any insurance. Lapses, alterations, or cancellations require immediate notice to Franchisor and

shall, in Franchisor's sole discretion, be deemed an immediate material breach of this Agreement as set forth in Section 14. If Franchisee fails to obtain the required insurance and to keep the same in full force and effect, Franchisor may, but shall not be obligated to, pay the premiums or acquire insurance, and bill Franchisee. Franchisee shall reimburse Franchisor for the full cost of such insurance, along with a reasonable service charge to compensate Franchisor for the time and effort expended to secure such insurance. Franchisor may change these insurance requirements on reasonable notice to Franchisee.

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

Franchisee shall notify Franchisor immediately in writing of any event that could materially affect Franchisee or the franchised business, and no later than the date on which Franchisee notifies its insurance carrier.

Franchisor makes no representation or warranty to Franchisee that the amount of insurance to be carried by Franchisee under the terms of this Agreement is adequate to fully protect Franchisee's interest. If Franchisee believes that the amount of any such insurance is insufficient, Franchisee is encouraged to obtain, at its sole cost and expense, such additional insurance as it may deem desirable or adequate. Franchisee acknowledges that Franchisor shall not, by the fact of approving, disapproving, waiving, accepting, or obtaining any insurance, incur any liability for, or with respect to, the amount of insurance carried, the form or legal sufficiency of such insurance, the solvency of any insurance companies or the payment or defense of any lawsuit in connection with such insurance coverage, and Franchisee hereby expressly assumes full responsibility therefore and all liability, if any, with respect thereto.

Franchisee's compliance with insurance requires shall not relieve Franchisee of its liability under the indemnity provisions of this agreement, Section 16. Obligations to maintain insurance coverage will not be affected by reason of any separate insurance maintained by us, nor will the maintenance of such insurance relieve Franchisee of any obligations under this agreement.

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

I. Provisions Concerning Compliance with Anti-Terrorism Laws.

You, your Owners and your Affiliates agree to comply with and/or to assist us to the fullest extent possible in our efforts to comply with Anti-Terrorism Laws (as defined below). In connection with this compliance, you, your Owners and your Affiliates certify, represent, and warrant that none of your property or interests is subject to being "blocked" under any of the Anti-Terrorism Laws and that you, your Owners, and your Affiliates are not otherwise in violation of any of the Anti-Terrorism Laws.

For the purposes of this Section, "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists and any other requirements of any Governmental Authority (including the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

You, your Owners and your Affiliates certify that none of you, your Owners and your Affiliates, your employees, or anyone associated with you is included on the lists to Executive Order 13224. You agree not to hire any individual who is listed in any such list. (The list is available at <http://www.treasury.gov/resource-center/sanctions>).

You, your Owners, and your Affiliates certify that you have no knowledge or information that, if generally known, would result in you, your Owners and your Affiliates, your employees, or anyone associated with you to be listed in the Annex to Executive Order 13224.

You, your Owners, and your Affiliates are solely responsible for ascertaining what actions must be taken by you to comply with the Anti-Terrorism Laws, and you specifically acknowledge and agree that your indemnification responsibilities set forth in Section 16.B of this Agreement pertain to your obligations under this Section.

Any misrepresentation by you under this Section or any violation of the Anti-Terrorism Laws by you, your Owners and your Affiliates, or your employees shall constitute grounds for immediate termination of this Agreement and any other Agreement you have entered with us or one of our Affiliates, in accordance with the terms of Section 14.A of this Agreement.

J. Photo/video release.

Franchisee acknowledges and authorizes Franchisor to use its likeness in a photograph in any and all of Franchisor's publications, including printed and digital publications and on websites. Franchisee agrees and understands that any photograph or video using Franchisee's likeness will become Franchisor's property and will not be returned. Franchisee agrees and irrevocably authorizes Franchisor to edit, alter, copy, exhibit, publish or distribute any photograph of Franchisee for any lawful purpose. Franchisee agrees and waives any right to royalties or any other compensation related to Franchisor's use of any photograph or video of Franchisee. Franchisee agrees to hold harmless and forever discharge Franchisor from all claims, demands, and causes of action which Franchisee may have in connection with this authorization.

9. RESTRICTIVE COVENANTS.

A. Confidential Information.

Franchisee acknowledges that it will obtain knowledge of proprietary matters, methods, techniques and business procedures of Franchisor that are necessary and essential to the operation of the Franchise, without which Franchisee could not effectively and efficiently operate such business, including, without limitation, knowledge regarding the System, distinctive products, vendor and supplier relationships, promotional programs, build-out specifications, decor and signage, POS system, software, advertising and marketing materials, customer service standards and business strategies necessary for the operation of the Store and the Operations Manual. Franchisee further acknowledges that all Confidential Information was not known to Franchisee prior to execution of this Agreement and that the methods of Franchisor are unique and novel to the System. Franchisee acknowledges that Confidential Information shall also include, but not limited to:

1. Any person or entity, which has, been or become Franchisees of the System and any investors therein;
2. Any person or entity which has, have been or becomes customers of the Bricks & Minifigs® store;
3. The terms of and negotiations relating to past or current Franchise Agreements with respect to the System;
4. The operating procedures of the System, including without limitation: purchasing strategies, merchandising techniques and methods, safety procedures, usage of software, cost and pricing strategies, product knowledge and specifications, inventory management and tracking of Products and supplies, contracts, forms and waivers; bookkeeping, financing and accounting systems and procedures, advertising, promotional and marketing methods, standards for hiring staff, training procedures, the manufacturers and lists of vendors and suppliers;

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

6. The Products and Services offered to customers of a Bricks & Minifigs® store, including, without limitation, the scope of services performed and services refused; and

7. All documentation of the information listed in Sections 9.A, including, without limitation, our training program and Operations Manual. During the term of this Agreement and at any time following the expiration or termination of this Agreement, Franchisee agrees not to divulge, directly or indirectly, any Confidential Information, without the prior written consent of Franchisor. Nothing contained herein shall be construed so as to require Franchisee to divulge any secret processes, techniques, formulas, or the like (collectively, the “Confidential Information”). Confidential Information will also include anything we designate as Confidential.

During the Term and thereafter: (1) you may not use the Confidential Information in any other business or capacity (you acknowledge this use is an unfair method of competition); (2) you must maintain the confidentiality of the Confidential Information; (3) you may not make unauthorized copies of any portion of the Confidential Information disclosed in written, electronic, or other form; (4) you must implement all reasonable procedures we periodically prescribe to prevent unauthorized use or disclosure of the Confidential Information, including the use of non-disclosure/non-compete agreements with your Owners, officers, directors, Operating Partners, Store managers, assistant managers, associates, and the like, and you and your Owners must deliver these agreements to us; (5) you must not disclose during or after the Term of the Franchise Agreement any of the Confidential Information; and (6) you acknowledge that we have no obligation to reimburse you or provide any remuneration for implementing all reasonable procedures that we periodically prescribe to prevent unauthorized use or disclosure of the Confidential Information.

Franchise further acknowledges that former Bricks & Minifigs franchises (those whose Franchise Agreements have expired or been terminated) are no longer permitted to have access to or knowledge of any Confidential Information and that approved attention must be found by Franchisee to not continue to discuss or share any Confidential Information with such former franchises.

B. In-Term Covenants.

You agree (and agree to cause any Entity Owner if Franchisee is an Entity, and each other Restricted Person), during the term of this Agreement, not to have any direct or indirect interest in a Competitive Business, or perform services of any type as an owner, director, officer, employee, consultant, representative or agent, or in any other capacity, in any business in which Lego® only brand products constitutes more than 20% of its revenues or any franchisor or licensor of the same (each a “**Competitive Business**”). The restrictions of this Section and the definition of Competitive Business will not apply to: (1) the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market that represent two percent (2%) or less of the number of shares of that class of securities issued and outstanding; or (2) the ownership or operation of other Bricks & Minifigs® stores that are licensed or franchised by us or any of our Affiliates. Further, you agree during the term of this Agreement that you shall not hire any employee who, within the immediately preceding six months, was employed by the Company or any other franchisee or licensee of us, without obtaining the prior written permission of us or the franchisee or licensee pursuant to this Agreement.

10. MARKETING AND ADVERTISING.

A. Local Marketing Fund (LMF).

You must spend for local advertising and promoting your Store those amounts we periodically establish. Currently, that amount is a minimum of 3% of Franchisee’s Monthly Gross Revenue each month. The amount spent on local advertising and promotion will be designated as Local Marketing Funds (“**LMF**”) and is in addition

to your 1% contribution to the National Marketing Fund. At our request, you shall furnish us with copies of invoices and other documentation evidencing your compliance with this Section 10A. If we determine, at some later date, that you have spent an amount less than 3% of Gross Revenue, we may collect the LMF contribution directly. If we change the amount of LMF you must spend, we shall provide you with not less than 30 days notice of said change. The LMF monies will be used to pay for the cost of implementing local marketing plans developed by you and approved by us. For these purposes, qualifying LMF expenditures include: (i) amounts contributed to advertising associations; (ii) amounts spent for grand opening advertising and promotional programs pursuant to Section 4.E; and (iii) amounts spent by you for advertising media, such as television, radio, Internet, newspaper, billboards, posters, direct mail, collateral and promotional items, and advertising on public vehicles (transit and aerial) and, (iv) if not provided by us, the cost of producing approved materials necessary to participate in these media.

B. National Marketing Fund (NMF).

In addition to the advertising and promotional expenditures and/or contributions required by Section 10.A hereof, you shall contribute to a national marketing fund (“**NMF**”) an amount equal to 1% of your monthly Gross Revenue starting on the first full calendar month after the opening date of your Business. We may raise, discontinue or reduce the contribution in our discretion.

The NMF contribution is to be received by the Franchisor on or before the 10th day of each month for the prior month. The NMF will be used for ongoing technology and new product development, and such national advertising or public relations programs as we, in our sole discretion, may deem appropriate to promote the Bricks & Minifigs Brand. The NMF may also be used for local Franchisee group advertising or marketing and Franchisee advisory council expenses; local, regional, national or international advertising or marketing; administration of advertising and marketing (including salaries, accounting, collection, legal and other costs), related expenses and any media or agency costs. We will direct all such programs, and will have sole discretion over the creative concepts, materials, endorsements and media used in such programs, and the placement or allocation of such programs. We reserve the right to determine in our sole discretion the composition of all geographic territories and market areas for the implementation and development of such programs. Stores owned or operated by Franchisor will contribute to the same basis to the fund.

We may spend, on behalf of the NMF, in any fiscal year an amount greater or less than the aggregate contribution of Bricks & Minifigs® franchisees in that year, and the NMF may borrow from us or others to cover deficits or invest any surplus for future use. Any NMF contributions not used in the fiscal year in which they were contributed will be applied and used for advertising and marketing expenses in the following year(s).

C. Advertising Approvals and Initial Advertising Costs.

You acknowledge that all advertising and promotional materials will be sourced solely through us. You must submit to us for our prior approval a marketing plan and samples of all advertising and promotional materials not prepared or previously approved by us and which vary from our standard advertising and promotional materials by following the procedures that are in place at the time of submittal. If you elect to work with a marketing firm (including an advertising agency or public relations firm), you must obtain our written approval of this marketing firm and this marketing firm must sign a Bricks & Minifigs® approved confidentiality agreement before you sign any contracts or share any Confidential Information with this marketing firm. This marketing firm or agency shall not, under any circumstances, be given access to any of our proprietary limited access intranet (including the Franchise Website), sites or any other information we deem inappropriate. You may not use any advertising or promotional materials that we have not approved.

D. Franchisee Websites.

You may not promote, offer, or sell any products or services relating to your Store, or use any of the Marks, through the Internet without our consent. You agree not to register any Internet domain name in any class or category that contains the words Bricks & Minifigs® or any other words contained in our Marks or any

abbreviation, acronym, or variation of those words without our written approval. Also, you agree to not use any email address or alias that contains the words Bricks & Minifigs® or any other words contained in our Marks or any abbreviation, acronym, or variation of those words except those we have authorized.

E. Bricks & Minifigs® Website; Franchisee Portals; Social Media.

We have established and plan to maintain the Bricks & Minifigs® Website (the “Website”) to provide information about Bricks & Minifigs®, the Franchise, and the products and services that Store offer. Also, we will have control over the Bricks & Minifigs® Website’s design and contents. We will have no obligation to maintain the Website indefinitely, and may dismantle it at any time. We have the right to modify or discontinue the Website or any of its functions if we determine that it becomes advisable at any time. We will have no liability or obligation whatsoever with respect to any required modification or discontinuance of the Website. Also, we are not obligated to reimburse you for any loss of goodwill associated with any modification or discontinuance of the Website. We may include pages on the Website that identify participating Stores by address and telephone number. We are the sole owners of and reserve the rights to access and use the customer information collected through the Bricks & Minifigs® Website. You will not have the capability or the right to modify the Website.

We have established and plan to maintain the Bricks & Minifigs® Intranet through which members of the Bricks & Minifigs® System may communicate with each other and through which we may disseminate updates to the Operations Manual and other confidential information.

Franchisee recognizes that one of our primary methods of communication with Franchisees is through The Intranet. Franchisee is responsible for knowing all the information contained on the Intranet and complying with any standards and specifications provided within them. We may establish, change, and update the Operations Manual through the Intranet.

We will have no obligation to maintain the Intranet indefinitely and may dismantle it at any time. We will have no liability or obligation whatsoever with respect to any required modification or discontinuance of the Intranet. Also, we are not obligated to reimburse you for any loss of goodwill associated with any modification or discontinuance of the Intranet. We may include pages on the Intranet that identify participating Franchisees, general managers, and vendors by address, telephone number, and email address. You will not have the capability or the right to modify the Intranet. We are the sole owners of and reserve the rights to access and use the customer information collected through the Intranet.

Access to the Intranet by your employees should be strictly limited. You acknowledge that you are responsible for all product orders placed by employees through the Intranet and agree to reimburse us for any and all unpaid purchases made through the Intranet by your Store.

We may require you to purchase and install necessary hardware, software, and other necessary additions to your computer system and to establish and continually maintain connection with the Intranet that allows us to send messages to and receive messages from you. Your obligations to maintain connection with the Intranet will continue until the Franchise Agreement’s expiration or termination (or, if earlier, until we dismantle the Intranet).

If you default under this Agreement, fail to pay any and all amounts due and payable to us or our Affiliates, or fail to comply with any other provision of this Agreement, we may remove information about your Store from the Intranet, until such time as you pay your outstanding obligation in full or cure this default or we may temporarily suspend your access to any message board, directory, online shopping catalog, or other features the Intranet includes until such time as you fully cure the default. You must reimburse us for any and all purchases made through the Intranet by your Store. You acknowledge that you are responsible for all product orders placed by employees through the Intranet.

We will manage all social media relating to Bricks & Minifigs, as set forth in the Operating Manual. We reserve the right to charge you a pro rata fee in the future for the management of such social media.

11. RECORDS, REPORTS, AND FINANCIAL STATEMENTS.

A. Reports, Records and Bookkeeping.

You must establish and maintain a bookkeeping, accounting, record keeping and data processing system conforming to the requirements and formats that we prescribe and as set forth in the Operations Manual. You must prepare and maintain three years' complete and accurate books, records, (including invoices and records relating to your advertising expenditures) and accounts for your Store, copies of your sales tax returns and these portions of your state and federal income tax returns, daily cash reports, cash receipts journal and general ledger, cash disbursements journal and weekly payroll register, monthly bank statements and daily deposit slips and canceled checks, supplier invoices, dated cash register tapes (detail and summary), semi-annual balance sheets and monthly profit and loss statements, records of all corporate accounts, and such other records as we deem appropriate as related to your Store. All these books and records shall be kept at your principal address indicated on the first page of this Agreement, unless we otherwise approve. You acknowledge that we may require you to furnish these records to us.

You must furnish to us reports relating to your Store by the delivery method and in a form and content as we have the right to periodically prescribe. In addition, you must furnish us periodic reports, which may include but are not limited to, the following:

(i.) Gross Revenue Reports. Monthly reports of Gross Revenues due at the same time that Royalty Fees are due;

(ii.) Monthly Financial Reports. Within 15 days after the end of calendar month, a profit and loss statement for your Store for the previous month and a year-to-date statement of financial condition as of the end of the previous month;

(iii.) Quarterly Reports. Within 30 days after the end of calendar quarter, a quarterly balance sheet and income statement and statement of cash flow of your Store for such quarter, reflecting any adjustments and accruals;

(iv.) Annual Reports. Within 90 days after the end of each calendar year, (1) a year-end balance sheet and income statement and statement of cash flow for you and all of your Affiliates that develop, own or operate Bricks & Minifigs® stores, all prepared in accordance with generally accepted accounting principles, consistently applied, reflecting all year-end adjustments and accrual; (2) similar information from all Entity Owners who have signed guarantees of this Agreement; and (3) these summaries of financial information as we may require;

(v.) Tax Returns. Within 10 days after the returns are filed, exact copies of federal and state income, sales and any other tax returns and the other forms, records, books and other information pertaining to the Store as we have the right to periodically require;

(vi.) Other Reports. Within 30 days of our request, such other information as we may periodically require, including sales and income tax statements and a consolidated Business Plan for all Bricks & Minifigs® stores that you and your Affiliates own or operate.

All accounting and other reports shall use our then-current standard chart of accounts and standard accounting methodologies and practices as outlined in the Operations Manual. Each report and financial statement will be signed and verified by you in the manner we specify. We reserve the right to publish or disclose information that we obtain under this Section in any data compilations, collections, or aggregations that we deem appropriate, in our sole discretion, including financial information relating to your individual Store. We also have the right to require your financial statements be audited, at your expense, by an independent certified public accountant approved by us. We have the right to determine the format and manner of submission of each report. In addition, we have the right to charge you a late fee for each delinquent report due to us, as further described

above. Also, we have the right, but not the obligation, to provide you with analytical and comparative Store performance reports. The data we use to generate these reports are aggregated directly from information provided by franchise owners and third-party sources. You acknowledge that we do not warrant the reliance on the figures in these reports for your Store.

12. THE COMPANY'S RIGHT TO INSPECT THE STORE; AUDITS.

A. Inspections.

To determine whether you are complying with this Agreement and with all System Standards and whether your Store is in compliance with the terms of this Agreement, we and our designated agents have the right to, at any reasonable time and without prior notice to you:

- (i.) Inspect the Accepted Location and the Store;
- (ii.) Observe, photograph and video tape your Store's operations for consecutive or intermittent periods as we deem necessary;
- (iii.) Remove samples of any products, materials or supplies for testing and analysis;
- (iv.) Interview personnel and customers of your Store; and
- (v.) Inspect and copy any books, records and documents relating to the operation of your Store.

You must cooperate fully with us in connection with any of our inspections, observations, photographing, videotaping, product removal and interviews. You also must cooperate fully with our representatives and independent accountants conducting audits.

You shall maintain readily available for inspection by the Company, and shall furnish to the Company upon its request, at these locations as the Company may reasonably request (including the Company's office), exact copies of all books and records, tax returns and documents relating to the development, ownership, lease, occupancy or operation of your Store and of any corporation or partnership that holds the Franchise and shall afford the Company (and its agents), at any time during business hours, and without prior notice to you, full and free access to these books and records at the Store. The Company (and its agents) shall have the right to make extracts from, and copies of, and to audit, or cause to be audited, these books and records and shall have the right to communicate freely with Store employees. You shall fully cooperate with representatives of the Company and independent accountants hired by the Company to conduct any inspection or audit. In the event any inspection or audit shall disclose an understatement of the Gross Revenues of the Store, you shall pay to the Company, within seven days after receipt of the inspection or audit report, the royalty and service fee and any advertising contributions due on the amount of this understatement, plus interest (at the rate and on the terms provided in Section 3) from the date originally due until the date of payment. Further, in the event this inspection or audit is made necessary by the failure of you to furnish reports, supporting records or other information, as herein required, or to furnish these reports, records or information on a timely basis, or if an understatement of Gross Revenues for the period of any inspection or audit (which shall not be for less than three months) is determined by any inspection or audit to be greater than three percent (3%), you shall reimburse the Company for the cost of this inspection or audit, including the charges of any attorneys, independent accountants and the travel expenses, room and board and compensation of employees of the Company. The foregoing remedies shall be in addition to all other remedies and rights of the Company under this Agreement or under applicable law.

13. TRANSFERS / ASSIGNMENT.

A. Transfers/Assignments By Us.

This Agreement is fully transferable and/or assignable by us and will inure to the benefit of any transferee or assignee or other legal successor to our interest in this Agreement.

B. Restrictions on Transfers By You.

Your rights and duties created by this Agreement are personal to you, or, if you are a business corporation, partnership, limited liability company or other legal entity, your Entity Owners. We have granted this Agreement to you in reliance upon our perceptions of the individual or collective character, skill, aptitude, attitude, business ability and financial capacity of you and, if you are not an individual, your Entity Owners. Accordingly, no Transfer will be made without our prior written approval. Any Transfer without our approval will constitute a breach of this Agreement and will be void and of no effect. **“Transfer”** is defined, for purposes of this Agreement, as the voluntary or involuntary, direct or indirect transfer, assignment, sale, gift, pledge, mortgage, hypothecation or other disposition (including those occurring by operation of law and a series of transfers that in the aggregate constitute a Transfer) of any of your interest in this Agreement or of a Controlling Interest in you. **“Controlling Interest”** means an interest, the ownership of which empowers the holder to exercise a controlling influence over the management, policies or personnel of an Entity. Ownership of 10% or more of the equity or voting securities of a corporation, limited liability company or limited liability partnership or ownership of any general partnership interest in a general or limited partnership will be deemed conclusively to constitute a Controlling Interest in the corporation, limited liability company, or partnership, as the case may be.

C. Conditions for Approval of Transfers By You.

If we have not exercised our right of first refusal and if you are in full compliance with this Agreement, we will not unreasonably withhold our approval of a Transfer that meets all of the following requirements:

(i.) Qualification of Transferee. The proposed transferee and the individuals ultimately owning the transferee, if the transferee is an Entity, must meet our then-applicable standards for owners of Bricks & Minifigs® stores and have sufficient business experience, aptitude and financial resources to operate its business and comply with this Agreement. Also, the transferee must provide us on a timely basis all information we request;

(ii.) Training. The transferee (or its operating partner) and its managers and assistant managers must have completed our initial training program or must be currently certified by us to operate and/or manage a Bricks & Minifigs® stores to our satisfaction;

(iii.) Satisfaction of Obligations. You have paid all amounts owed for purchases by you from us and our Affiliates and all other amounts owed to us or our Affiliates and third-party creditors;

(iv.) Execution of New Agreement or Assumption of Agreement. At our option, the transferee either has signed our then-current form of Franchise Agreement and related documents used in the state in which the Store is located (which may provide for different royalties, advertising contributions and expenditure, duration and other rights and obligations than those provided in this Agreement) for a new term, and if the transferee is an Entity, each Entity Owner of the transferee has signed our then-current form of guaranty, or has agreed to be bound by and expressly assume all of the terms and conditions of this Agreement for the remainder of its term, and if the transferee is an Entity, each Entity Owner of the transferee has signed our then-current form of guaranty;

(v.) Payment of Transfer Fees. You or the transferee has paid us a transfer fee equal to \$5,000. If Franchisee came from our lead database, you may be required to pay the then-current referral fee to us plus any costs associated with applicable broker fees;

(vi.) Execution of Termination Agreement and/or Release. You and your transferring Entity Owners, if you are an Entity, have signed our then-current form of termination agreement and/or general release, in form and substance satisfactory to us, unless limited or prohibited by applicable law, (which shall release us and our affiliates and our and their respective officers, directors, employees shareholders, successors, assigns, and agents from any and all claims);

(vii.) Approval of Terms of Transfer. We have approved the material terms and conditions of the Transfer, including the price and terms of payment;

(viii.) Subordination. If you (or your Entity Owners) finance any part of the sale price of the transferred interest, you and the Entity Owners have agreed that all obligations of the transferee under any promissory notes, agreements or security interests reserved by you (or your Entity Owners) will be subordinate to the transferee's obligations to us and our affiliates;

(ix.) Non-Competition Covenant. You and your Owners must sign a non-competition covenant, in form and substance satisfactory to us, in favor of us and the transferee agreeing that, for a period of two years, starting on the effective date of the transfer, you and your Owners will not directly or indirectly (such as through members of his/her or their Immediate Families) (i) own any legal or beneficial interest in, or render services or give advice to (1) any Competitive Business that is located in the Territory; (2) any Competitive Business that is located within a five mile radius of any other Bricks & Minifigs® stores in operation or under construction as of the effective date of this transfer; or (3) any entity which grants franchises, licenses or other interests to others to operate any Competitive Business; and (ii) recruit or hire any person who is an employee of ours or of any Bricks & Minifigs® stores operated by us, our Affiliates or any franchisee of ours without obtaining the employer's consent, which consent may be withheld for any reason;

(x.) Landlord Consent. If consent is required, the lessor of the Accepted Location consents to the assignment or sublease of the Accepted Location to the transferee;

(xi.) Non-Use of Marks. You have agreed that you and they will not directly or indirectly at any time or in any manner (except with respect to Bricks & Minifigs® stores owned and operated by you or them) identify yourself or themselves or any of their businesses as a current or former Bricks & Minifigs® stores, or as a franchisee, licensee or dealer of us or our affiliates, use any Mark, any colorable imitation of any of the Marks or other indicia of a Bricks & Minifigs® stores in any manner or for any purpose or use for any purpose any trade name, trade or service mark or other commercial symbol that suggests or indicates a connection or association with us;

(xii.) Refurbishment. You or the transferee has agreed to any refurbishment of the Store required by us to bring the Store in compliance with the then-current standards and trade dress;

(xiii.) Store Operation. You have completed development of your Store and are operating your Store in accordance with this Agreement;

(xiv.) Agreement Compliance. You, your Owners and Affiliates must be in compliance with the provisions of this Agreement and all other agreements with us or any of our Affiliates;

(xv.) Material Terms and Conditions. We must not have disapproved the material terms and conditions of this transfer (including the price and terms of payment and the amount to be financed by the transferee in connection with this transfer, which shall not in any event exceed 75% of the purchase price for the assets or stock to be transferred) on the basis that they are so burdensome as to be likely, in our reasonable judgment, to adversely affect the transferee's operation of your Store or its compliance with its franchise agreements, any area development agreements and any other agreements being transferred; and

(xvi.) Other Conditions. You and your transferring Entity Owners, if you are an Entity, have complied with any other conditions that we periodically reasonably require as part of our transfer policies. You and your Entity Owners and Affiliates must sign such other documents and do such other things as we may reasonable require to protect our rights under this Agreement and under any area development agreement.

In connection with any assignment permitted under this Section, you will provide us with all documents to be signed by you and the proposed transferee at least 30 days before signing.

D. Death or Disability of Franchisee.

Upon the death or permanent disability of Franchisee or, if Franchisee is a corporation or partnership, the owner of a Controlling Interest of Franchisee, the executor, administrator, conservator or other personal representative of this person shall assign the Franchise or this interest in Franchisee to a third party approved by the Company. This disposition of the Franchise or this interest in Franchisee (including transfers by bequest or inheritance) shall be completed within a reasonable time, not to exceed six months from the date of death or permanent disability and shall be subject to all the terms and conditions applicable to assignments contained in Paragraph C of this Section and to the Company's right of first refusal contained in Paragraph G of this Section (provided that Paragraph G shall not apply to transfers to members of the immediate family of Franchisee or an owner of Franchisee or to transfers by gift, bequest or inheritance). Failure to so dispose of the Franchise or this interest in Franchisee within that period of time shall constitute a breach of this Agreement. Pending disposition, the Company shall have the right to approve the management of the Store and no person whom the Company disapproved shall continue to act as a manager of the Store.

E. Special Transfers.

The transfer restriction in this Section shall not apply to any Transfer of the Franchise among any of your then-current Owners or to any Transfer of the Franchise to any member of your Immediate Family or the Immediate Family of a then-current Owner of Franchisee (if you are a corporation, partnership, limited liability company or other legal entity). On 30 days' notice to us, you (if you are an individual or partnership) may transfer this Agreement, in conjunction with a transfer of all of the assets of your Store, by an agreement in form and substance approved by us, to an entity which conducts no business other than the Store (and other Bricks & Minifigs® stores under franchise agreements granted by us), and of which you own and control all of the equity and voting power. The entity to which this Agreement is transferred must comply with Sections 7.A and 7.B. None of the foregoing assignments shall relieve you or your Owners of your respective obligations hereunder, and you and your Owners remain jointly and severally liable for all obligations hereunder.

F. The Company's Right of First Refusal.

If you or any of your Owners desire to transfer the franchise for legal consideration, you or such Owner must obtain a *bona fide*, signed written offer from a qualified purchaser and must deliver immediately to us a complete and accurate copy of this offer. If the offeror proposes to buy any other property or rights from you or any of your Owners or Affiliates (other than rights under area development agreements or rights to other franchise agreements for Bricks & Minifigs® stores) as part of the *bona fide* offer, the proposal for this property or rights must be set forth in a separate, contemporaneous offer that is fully disclosed to us, and the price and terms of purchase offered to you or your Owners for the Transfer of the Franchise must reflect the *bona fide* price offered therefore and may not reflect any value for any other property or rights.

We have the option, exercisable by notice delivered to you or your Owners within 30 days from the date of delivery of a complete and accurate copy of such offer to us, to purchase such interest for the price and on the terms and conditions contained in such offer, provided that: (1) we may substitute cash for any form of payment proposed in this offer; (2) our credit shall be deemed equal to the credit of any proposed purchaser; and (3) we will have not less than 90 days from the option exercise date to consummate the transaction. We have the right to investigate and analyze the business, assets and liabilities and all other matters we deem necessary or desirable

to make an informed investment decision with respect to the fairness of the terms of our right of first refusal. We may conduct such investigation and analysis in any manner we deem reasonably appropriate and you and your Owners must cooperate fully with us in connection therewith.

If we exercise our option to purchase, we are entitled to purchase such interest subject to all representations and warranties, closing documents, releases, non-competition covenants and indemnities we as reasonably may require, provided if we exercise our option as result of a written offer reflected in a fully negotiated definitive agreement with the proposed purchaser, we will not be entitled to any additional representations, warranties, closing documents or indemnities that will have a materially adverse effect on your rights and obligations under the definitive agreement. If we do not exercise our option to purchase, you or your Owners may complete the sale to the offeror pursuant to and on the exact terms of this offer, subject to our approval of the transfer as provided in this Section provided that if the sale to this offeror is not completed within 90 days after delivery of this offer to us, or if there is a material change in the terms of the offer, you must promptly notify us and we will have an additional option to purchase (on the terms of the revised offer, if any, and otherwise as set forth herein) during the thirty-day period following your notification of the expiration of the ninety-day period or the material change to the terms of the offer.

G. Effect of Consent to Assignment.

The Company's consent to an assignment of the Franchise or any interest subject to the restrictions of this Section, shall not constitute a waiver of any claims it may have against the assignor, nor shall it be deemed a waiver of the Company's right to demand exact compliance with any of the terms or conditions of the Franchise by the assignee(s), nor a representation as to the fairness of the terms of any agreement or arrangement between you and the transferee or as to the prospects of success of the Bricks & Minifigs® stores by the transferee. Any approval shall apply only to the specific Transfer of the Franchise being proposed and shall not constitute an approval of, or have any bearing on, any other proposed transfer of the Franchise.

14. TERMINATION.

A. Immediate Termination.

You are in material breach and deemed to be in default of this Agreement, and this Agreement will automatically terminate without notice, at our discretion, if any of the following events occur:

(i.) Criminal Acts. The conviction or entry of a guilty plea or no contest to charges involving fraudulent conduct or a felony or misdemeanor involving moral turpitude by either Franchisee or a principal of Franchisee.

(ii.) Insolvency. You file a petition in bankruptcy or for reorganization or for an arrangement pursuant to any federal or state bankruptcy law or any similar federal or state law, or are adjudicated a bankrupt or make an assignment for the benefit of creditors or admit in writing your inability to pay your debts generally as they become due, or if a petition or answer proposing the adjudication of you as a bankrupt or your reorganization pursuant to any federal or state bankruptcy law or any similar federal or state law is filed in any court and you consent to or acquiesce in the filing thereof or this petition or answer is not discharged or denied within 30 days after the occurrence of any of the foregoing, or if a receiver, trustee or liquidator of you or of all or substantially all of your assets or your interest in this Agreement is appointed in any proceeding brought by you, or if any such receiver, trustee or liquidator is appointed in any proceeding brought against you and is not discharged within 30 days after the occurrence thereof, or if you consent to or acquiesce in this appointment (any such event described in this Section being referred to as an "**Insolvency Event**"), or if you request the appointment of a receiver or make a general assignment for the benefit of creditors, or if your bank accounts, property or accounts receivable are attached or signing is levied against your business or property or;

(iii.) Unauthorized Transfer. A Transfer occurs in violation of the provisions of Section 13;

(iv.) Misstatements and Other Adverse Developments. You (or, if you are an Entity, any Entity Owner of you) have made any material misrepresentation or omission in your application for the rights conferred by this Agreement, are convicted by a trial court of, or plead no contest to, a felony or to any other crime or offense that may adversely affect the goodwill associated with the Marks, or if you engage in any conduct which may adversely affect the reputation of any Bricks & Minifigs® stores or the goodwill associated with the Marks;

(v.) Unauthorized Use of Marks or Confidential Information. You make any unauthorized use of the Marks or any unauthorized use or disclosure of Confidential Information;

(vi.) Abandonment. You abandon or fail actively to operate your Store for five (5) consecutive days unless your Store has been closed for a purpose approved in advance by us in writing or because of fire, flood or other casualty or government order;

(vii.) Disqualification. Attends the initial franchise training program and Franchisor determines, in its sole discretion, that the Franchisee, managing partner, or shareholder has failed the initial training program and is deemed not qualified to manage a Bricks & Minifigs® business;

(viii.) Failure to Secure a Site. You are unable to secure a site, pursuant to the requirements of this Agreement, for your Store within twelve (12) months from the execution of this Agreement;

(ix.) Breach of Lease; Loss of Right of Possession. You are in breach of any of your obligations under your lease or sublease of the Accepted Location or you lose the right to possession of the Accepted Location;

(x.) Failure to Comply with System Standards. You fail or refuse to comply with System Standards relating to operations of the store in a manner that presents an imminent safety, health or environmental hazard to customers; or violates any laws, ordinances, or regulations or you operate the store (including any vehicles) in an unsafe manner and fail to cure such default within 72 hours of receiving written notice of such violations;

(xi.) Understatements of Gross Revenues. You understate your Store's Gross Revenues in any report or financial statement by an amount greater than three percent (3%);

(xii.) Failure to Make Payments. You or any of your Affiliates fail to make payments, when due, of any amounts due to us or our Affiliates under this Agreement or any other agreement with us or our Affiliates;

(xiii.) Failure to Pay Taxes. You fail to pay any federal or state income, sales or other taxes due with respect to your Store's operations unless you are in good faith contesting your liability for the taxes;

(xiv.) Repeated Breaches. You fail on two or more separate occasions within any period of twelve consecutive months or on three occasions during the term of this Agreement to submit when due reports or other data, information or supporting records or to pay when due the Royalty Fees or other payments due to us or our Affiliates or otherwise fail to comply with this Agreement, whether or not the failures to comply are corrected after notice thereof is delivered to you;

(xv.) Financing Defaults. You default with respect to any of your obligations to us or any other lender under any financing provided to you in connection with this Franchise Agreement or a purchase of Store assets; or

(xvi.) Default of any Other Agreement. You default in the performance or observance of any of your obligations under any other agreement with us or our Affiliates;

(xvii.) Foreclosure. A suit is filed to foreclose any lien or mortgage against any of your assets and this suit is not dismissed within 30 days;

(xviii.) Corporate or Partnership Dissolution. You voluntarily dissolve or liquidate or have a petition filed for corporate or partnership dissolution and this petition is not dismissed within 30 days;

(xix.) Anti-Terrorism Laws. You are otherwise in violation of any of the Anti-Terrorism Laws.

(xx.) Other Conduct. Engages in any other activity or conduct that has a material adverse effect on Franchisor, the Marks or Franchisor's reputation.

You expressly waive all rights under the provisions of the bankruptcy or other applicable laws and rules, and consent to the immediate termination of this Agreement as provided herein. You agree not to seek an order from any court, tribunal, or agency in any jurisdiction relating to bankruptcy, insolvency, reorganization or any similar proceedings that would have the effect of staying or enjoining this provision.

B. Notice of Termination.

In addition to our right to terminate pursuant to other provisions of this Agreement and under applicable law, we have the right to terminate this Agreement, effective upon 30 days after delivery of a notice of termination specifying any of the following breaches or defaults by you if it remains uncured at the end of the 30-day period:

- (i.) fail to open your Store and start business, as provided in Sections 4.C and 4.E;
- (ii.) surrender or transfer control of the operation of your Store without prior written consent;
- (iii.) make any material misstatement or omission in the Personal Profile, the ADA Application or in any other information, report or summary provided to us at any time;
- (iv.) suffer cancellation or termination of the lease or sublease for your Store;
- (v.) are convicted of, or plead no contest to, a felony or other crime or offense that we reasonably believe may adversely affect the System Standards or the goodwill associated with the Marks;
- (vi.) make any unauthorized use or disclosure of any Confidential Information or use, duplicate or disclose any portion of the Operations Manual in violation of this Agreement;
- (vii.) fail or refuse to comply with any mandatory specification, standard, or operating procedure prescribed by us relating to the cleanliness or sanitation of your Store or violate any health, safety or sanitation law, ordinance or regulation, that we reasonably believe may pose harm to the public or to you or our reputation, and do not correct this failure, refusal or violation within twenty-four hours after written notice thereof is delivered to you;
- (viii.) fail to report accurately Gross Revenues, to establish, maintain and/or have sufficient funds available in the designated account as required by Sections 3.D and 3.E of this Agreement or to make payment of any amounts due us or any of our Affiliates, and do not correct this failure within 10 days after written notice of this failure is delivered to you;

(ix.) fail to make a timely payment of any amount due to a supplier unaffiliated with us (other than payments which are subject to bona fide dispute), and do not correct this failure within 30 days after we deliver to you notice of this failure to comply;

(x.) fail to comply with any other provision of this Agreement or any other mandatory specification, System Standards or operating procedure or other obligation that we periodically prescribe in the Operations Manual and do not correct this failure within 30 days after notice of this failure to comply is delivered to you; or

(xi.) fail on three or more separate occasions within any period of twelve consecutive months to submit when due reports or other data, information or supporting records or to pay when due royalties, advertising fund contributions or other payments due us, any of our Affiliates or any unaffiliated suppliers or otherwise fail to comply with this Agreement or any mandatory specification, standard or operating procedure or other obligation that we periodically prescribe in the Operations Manual, whether or not this failure is corrected after notice is delivered to you.

(xii.) lose the right to possession of the Accepted Location, or otherwise forfeit the right to do or transact business in the jurisdiction where the Store is located, and do not correct this failure within 10 days after written notice of this failure is delivered to you;

(xiii.) deny us the right to inspect, examine or audit your Store and your Store's books and do not correct this failure within 10 days after written notice of this failure is delivered to you;

(xiv.) fail to submit any financial statement or report when required, or your submission is incorrect or incomplete, and do not correct this failure within 10 days after written notice of this failure is delivered to you;

(xv.) fail to pay any federal or state income, sales, or other taxes due on your Store's operations, unless you are in good faith contesting liability for these taxes, and do not correct this failure within 10 days after written notice of this failure is delivered to you;

(xvi.) violate any federal labor laws, and do not correct this failure within 10 days after written notice of this failure is delivered to you;

(xvii.) fail to commence repair or restoration of your Store after damage or destruction, as provided in Section 8.A, or fail to insure the Store as provided in Section 8.G, and do not correct this failure within 30 days after written notice of this failure is delivered to you;

(xviii.) fail to commence repair, restoration, modernization of your Store after we provide you a written request to do so pursuant to Section 8.A, and do not correct this failure within 30 days after written notice of this failure is delivered to you;

(xix.) fail to comply with the in-term covenants in Section 9B of this Agreement, fail to obtain signing of the covenants required under that Section, or fail to comply with the confidentiality non-competition agreement found in Schedule 5, and do not correct this failure within 10 days after written notice of this failure is delivered to you; and

(xx.) fail to notify us of your Operation Partner, store manager, or assistant manager's termination and/or fail to hire or select a successor Operating Partner who satisfies the requirements provided for in Section 7C will be considered as a breach of this Agreement.

(xxi.) the Franchisee or any owner of greater than 10% of the Franchisee entity or operator is convicted of a crime involving fraud, a crime involving moral turpitude, or any crime of offense that is

reasonably likely, in the reasonable opinion of the Franchisor, to materially and unfavorably affect the System, the Marks, Franchisor's or the System's goodwill or Franchisor's or the System's reputation.

We have no obligation whatsoever to refund any portion of the franchise fee upon any termination.

15. RIGHTS AND OBLIGATIONS OF THE COMPANY AND FRANCHISEE UPON TERMINATION OR EXPIRATION OF THE FRANCHISE.

A. Revision of Rights.

You agree that upon termination or expiration of this Agreement, all of your rights to use the Marks and all other rights and licenses granted herein and the right and license to conduct business under the Marks at your Store and on the Accepted Location shall revert to us without further act or deed of any party. All right, title and interest of you in, to, and under this Agreement shall become our property.

B. Payment of Amounts Owed to Us and Others /Liquidated damages

You must pay us within 15 days after the date of termination or expiration of this Agreement, or such later date as the amounts due to us are determined, the Royalty Fees, marketing fees, amounts owed for purchases by you from us or our Affiliates, interest due on any of the foregoing and all other amounts owed to us or our Affiliates which are then unpaid. If we terminate this Agreement for cause, you must pay us liquidated damages equal to the average monthly Royalty Fees paid by you during the 12 months immediately preceding the period multiplied by the remaining months in the term of this Agreement.

C. Discontinuance of the Use of the Marks Following Termination or Expiration.

You agree that, upon termination or expiration of this Agreement, you will:

(i.) Not directly or indirectly at any time or in any manner (except with respect to other Bricks & Minifigs® stores owned and operated by you) identify yourself or any business as a current or former Bricks & Minifigs® stores, or as a franchisee, licensee or dealer of us or our Affiliates, and not use any Mark, any colorable imitation of a Mark or other indicia of a Bricks & Minifigs® stores in any manner or for any purpose or use for any purpose any trade name, trade or service mark or other commercial symbol that suggests or indicates a connection or association with us or our Affiliates;

(ii.) Deliver to us all signs, sign-faces, sign-cabinets, marketing materials, forms, invoices and other materials containing any Mark or otherwise identifying or relating to a Bricks & Minifigs® stores and allow us, without liability, to remove all these items from your Store;

(iii.) Take such action as may be required to cancel all fictitious or assumed name or equivalent registrations relating to your use of any Mark;

(iv.) If we do not exercise our right to purchase your Store pursuant to Section 15.E, promptly remove from the Accepted Location, and discontinue using for any purpose, all signs, fixtures, furniture, décor items, advertising materials, forms and other materials and suppliers which display any of the Marks or any distinctive features, images, or designs associated with Bricks & Minifigs® stores and, at your expense, make such alterations as may be necessary to distinguish the Accepted Location so clearly from its former appearance as a Bricks & Minifigs® stores and from other Bricks & Minifigs® stores as to prevent any possibility of confusion by the public;

(v.) Deliver all materials and supplies identified by the Marks in full cases or packages to us for credit and dispose of all other materials and supplies identified by the Marks within 30 days after the effective date of termination of this Agreement;

(vi.) Notify the telephone company and all telephone directory publishers of the termination of your right to use any telephone and telecopy numbers and any regular, classified or other telephone directory listings associated with any Mark and to authorize transfer of those rights to us, or at our direction, our designee. You agree that, as between you and us, we have the right to and interest in all telephone and fax numbers and directory listings associated with any Mark. You authorize us and appoint us and any of our officers as your attorney-in-fact, to direct the telephone company and all telephone directory publishers to transfer any telephone and fax numbers and directory listings relating to your Store to us, or our designee, should you fail or refuse to do so, and the telephone company and all telephone directory publishers may accept such direction or this Agreement as conclusive of our exclusive rights in the telephone and telecopy numbers and directory listings and our authority to direct their transfer; and

(vii.) Furnish us, within 30 days after the effective date of termination, with evidence satisfactory to us of your compliance with the obligations in this Section.

(viii.) Immediately discontinue the use of any of our proprietary software;

(ix.) Immediately discontinue any mode of communications on the Intranet (the Franchisee only websites) and Internet directly or indirectly relating to your Store, including any Authorized Websites, social media pages/accounts or any other electronic media associated with your Store, and immediately take all steps required by us to transfer any domain name associated with your Store to us (such as signing a Registrant Name Change Agreement with applicable Registrar). You irrevocably appoint an authorized officer of ours as your duly authorized agent and attorney-in-fact to sign all instruments and take all steps to transfer these domain names;

(x.) Immediately cease to use all Confidential Information and return to us all copies of the Operations Manual and any other confidential information which have been loaned to you;

(xi.) Immediately return to us all copies and database records of your tenant list(s), leases, and any other information related to such.

You agree that if you fail to fulfill any of the obligations contained in this Section upon termination or expiration of this Agreement, we have the right, at our option, to perform these obligations at your expense.

D. Discontinuance of Use of Confidential Information; Post-Term Covenant Not to Compete.

You agree that, upon termination or expiration of this Agreement, you will immediately cease to use any Confidential Information disclosed to you pursuant to this Agreement in any business or otherwise and you will return to us all copies of the Operations Manual and any other Confidential Information, which we have loaned to you.

Upon termination of this Agreement for any reason, you agree that, for a period of two (2) years (or three (3) years if we purchase your Store as provided below), commencing on the effective date of termination, neither you nor any of your owners, principals, members or partners (as applicable) (collectively the “**Restricted Persons**”) will directly or indirectly own a legal or beneficial interest in, or render services or give advice to: (1) any Competitive Business operating in the Territory; (2) any Competitive Business operating within a radius of five miles of any Bricks & Minifigs® stores in operation or under construction on the effective date of termination or expiration; (3) any entity which grants franchises or licenses other interests to others to operate any Competitive Business; (4) recruit or hire any person who is an employee of ours or of any Bricks & Minifigs® stores operated by us, our Affiliates or another franchisee of ours without obtaining the employer’s consent, which consent may be withheld for any reason; or (5) solicit or attempt to divert elsewhere any partnership we’ve established as part of the System, including, but not limited to, technology, trade, education, retail product or vending/supplier partners..

You expressly acknowledge that you, your Entity Owners, and the other Restricted Persons possess skills and abilities of a general nature and have other opportunities for exploiting those skills. Consequently, enforcement of the covenants made in this Section will not deprive you or any of the other Restricted Persons of their personal goodwill or ability to earn a living. If any covenant in this Agreement which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited and/or length of time, but would be enforceable by reducing any part or all of the covenant, you and we agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction in which enforcement is sought. If you or any of your Owners fail or refuse to abide by any of the foregoing covenants and we obtain enforcement in a judicial proceeding, the obligations under the breached covenant will continue in effect for a period of time ending two years after the date of the order enforcing the covenant.

E. Our Option to Purchase Your Assets

We shall have the right to purchase the assets of your Store, upon termination or expiration (without renewal) of this Agreement. We shall have the right, exercisable by giving notice thereof (“Appraisal Notice”) within 10 days after the date of this termination or expiration of this Agreement, to require that a determination be made of the “Fair Market Value” (as defined below) of your equipment and furnishings of your Store (the “Assets”). We shall have the right to purchase your inventory at your invoice cost minus a 10% restocking fee (the “Inventory”).

Upon delivery of the Appraisal Notice, you may not sell or remove any of the Assets or Inventory of your Store from the Accepted Location (other than in the ordinary course of business) and must give us, our designated agents and the “Appraiser” (as defined below) full access to your Store and all of your books and records at any times during customary business hours to conduct inventories and determine the purchase price for the Assets and Inventory.

The Fair Market Value of the Assets shall be determined based upon the amount that an arm’s length purchaser would be willing to pay for the Assets, assuming that the Assets would be used for the operation of a Bricks & Minifigs® stores under a valid franchise agreement reflecting the then-current (or if we are not offering franchises at that time, then the most recent) standard terms upon which we offer or offered franchises for Bricks & Minifigs® stores. Under no circumstances does this calculation contemplate any value be attributed to any goodwill associated with the Marks or any value attributed to other Intellectual Property or the System Standards, provided, however, that an amount may, if appropriate, be attributed to the going concern value of your Store. You and we hereby agree that the valuation methodology described herein is a fair and reasonable method by which to value the Assets.

Notwithstanding, the mutually agreeable valuation methodology, if you and we are unable to agree on the final calculation of the Fair Market Value of the Assets, within 15 days after the Appraisal Notice, then Fair Market Value will be determined by a member of a nationally recognized accounting firm (other than a firm which conducts audits of our or your financial statements) mutually selected by you and us who has experience in the valuation of Store businesses (the “Appraiser”). If we are unable to agree on the Appraiser within 30 days after the Appraisal Notice, either party may demand the appointment of an Appraiser be made by the director of the Regional Office of the American Arbitration Association located nearest to Salt Lake City, Utah, and this person shall be the Appraiser.

The Appraiser will make his or her determination and submit a written report (the “Appraiser Report”) to you and us as soon as practicable, but in no event more than 60 days after his or her appointment. Each party may submit in writing to the Appraiser its judgment of Fair Market Value (together with its reason therefore); however, the Appraiser shall not be limited to these submissions and may make such independent investigations as he or she reasonably determines to be necessary. The Appraiser’s fees and costs shall be borne equally by the Parties.

We have the option, exercisable by delivering notice thereof within 30 days after submission of the Appraisal Report (or the date that an agreement is reached, if the Parties agree to the Fair Market Value), to agree

to purchase the Assets at Fair Market Value. We shall have the unrestricted right to assign this option to purchase separate and apart from the remainder of this Agreement.

If we exercise our option to purchase, the purchase price for the Assets and the Inventory will be paid in cash at the closing, which will occur at the place, time and date we designate, but not later than 60 days after the exercise of our option to purchase the Assets and Inventory. At the closing, we will be entitled to all representations, warranties, title insurance policies and other closing documents and post-closing indemnifications as we reasonably require, including: (1) instruments transferring good and marketable title to the Assets and Inventory, free and clear of liens, encumbrances, and liabilities, to us or our designee, with all sales and other transfer taxes paid by you; and (2) an assignment of all leases of assets used in the operation of your Store, including land, building and/or equipment (or if an assignment is prohibited, a sublease to us or our designee for the full remaining term and on the same terms and conditions as your lease, including renewal and/or purchase options), provided, however, that if any of your Owners or Affiliates directly or indirectly owns the land, building and/or equipment of your Store, you will, at our option, cause this Owner or Affiliate to grant to us a lease at reasonable and customary rental rates and other terms prevailing in the community where your Store is located. Any dispute concerning the rental rates and terms of this lease shall be resolved by the Appraiser.

If you cannot deliver clear title to all of the Assets and the Inventory, or if there are other unresolved issues, the closing of the sale may, at our option, be accomplished through an escrow on these terms and conditions as we deem appropriate, including the making of payments, to be deducted from the purchase price, directly to third parties to obtain clear title to all of the Assets and the Inventory. Further, you and we shall comply with any applicable bulk sales provisions of the Uniform Commercial Code as enacted in the state where the Accepted Location are located and all applicable state and local sales and income tax notification and/or escrow procedures. We have the right to set off against and reduce the purchase price by any and all amounts owed by you or any of your Owners or Affiliates to us or any of our Affiliates.

Upon delivery of the Appraisal Notice and pending (1) determination of Fair Market Value, (2) our option period, and (3) the closing of the purchase, we may authorize continued temporary operations of your Store pursuant to the terms of this Agreement, subject to the supervision and control of one or more of our appointed managers.

F. Continuing Obligations.

All obligations of us and you which expressly or by their nature survive the termination of this Agreement will continue in full force and effect subsequent to and notwithstanding termination and until they are satisfied in full or by their nature expire.

16. RELATIONSHIP OF PARTIES/INDEMNIFICATION.

A. Independent Contractors.

Franchisor and Franchisee acknowledge and agree that the relationship created under the Agreement is that of independent Contractors. Neither this Agreement nor the dealings of the parties pursuant to this Agreement shall create any fiduciary relationship or the relationship of principal and agent or employer and employee between the parties, and in no circumstances shall either party, their officers, directors, agents, employees, salespeople, or similar persons be considered the agents or employees of the other party

You understand and agree that we may operate and change the System and our business in any manner that is not expressly and specifically prohibited by this Agreement. Whenever we have expressly reserved in this Agreement or are deemed to have a right and/or discretion to take or withhold an action, or to grant or decline to grant you a right to take or withhold an action, except as otherwise expressly and specifically provided in this Agreement, we may make our decision or exercise our right and/or discretion on the basis of our judgment of what is in our best interests, including our judgment of what is in the best interest of our franchise network, at the time our decision is made or our right or discretion is exercised, without regard to whether: (1) other reasonable

alternative decisions or actions could have been made by us; (2) our decision or the action we take promotes our financial or other individual interest; (3) our decision or the action we take applies differently to you and one or more other franchisees or our company-owned or company-affiliated operations; or (4) our decision or the exercise of our right or discretion is adverse to your interests. In the absence of an applicable statute, we will have no liability to you for any such decision or action. We and you intend that the exercise of our right or discretion will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, we and you agree that this covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants us the right to make decisions, take actions and/or refrain from taking actions not inconsistent with your rights and obligations hereunder.

B. Indemnification.

You must indemnify us, our Affiliates and our respective directors, officers, employees, shareholders, members, agents, successors and assigns (collectively “indemnitees”), and to hold the indemnitees harmless to the fullest extent permitted by law, from any and all losses and expenses (as defined below) incurred in connection with any litigation or other form of adjudicatory procedure, claim, demand, investigation, or formal or informal inquiry (regardless of whether it is reduced to judgment) or any settlement thereof which arises directly or indirectly from, or as a result of, a claim of a third party against any one or more of the indemnitees in connection with the development, ownership, operation or closing of any of your Bricks & Minifigs® stores (collectively “event”), and regardless of whether it resulted from any strict or vicarious liability imposed by law on the indemnitees, provided, however, that this indemnity will not apply to any liability arising from a breach of this Agreement by the indemnitees or the gross negligence, willful misconduct, strict liability or fraud of indemnitees (unless joint liability is involved, in which event the indemnification provided herein will extend to any finding of comparative or contributory negligence attributable to you).

The term “losses and expenses” includes compensatory, exemplary, and punitive damages; fines and penalties; attorney’s fees; experts’ fees; court costs; costs associated with investigating and defending against claims; settlement amounts; judgments; compensation for damages to our reputation and goodwill; and all other costs associated with any of the foregoing losses and expenses. We agree to give you reasonable notice of any event of which we become aware for which indemnification may be required and we may elect (but are not obligated) to direct the defense thereof, provided that the selection of counsel shall be subject to your consent, which consent shall not be unreasonably withheld or delayed. We may, in our reasonable discretion, take such actions as we deem necessary and appropriate to investigate, defend, or settle any event or take other remedial or corrective actions with respect thereto as may be necessary for the protection of indemnitees or Bricks & Minifigs® stores generally, provided however, that any settlement shall be subject to your consent, which consent shall not be unreasonably withheld or delayed. Further, notwithstanding the foregoing, if the insurer on a policy or policies obtained in compliance with your Franchise Agreement agrees to undertake the defense of an event (an “Insured Event”), we agree not to exercise our right to select counsel to defend event if this would cause your insurer to deny coverage. We reserve the right to retain counsel to represent us with respect to an Insured Event at our sole cost and expense. This Section shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

C. Taxes.

We will have no liability for any sales, use, service, occupation, excise, gross receipts, income, property or other taxes, whether levied upon your Store, your property or upon us, in connection with furnishings or equipment purchased, sales made or business conducted by you (except any taxes we are required by law to collect from you, in which case you shall be liable to us for the amount of any taxes owed). Payment of all these taxes shall be your responsibility. In the event of a *bona fide* dispute as to your liability for taxes, you may contest your liability in accordance with applicable law. In no event, however, will you permit a tax sale, seizure, or attachment to occur against your Store or any of its assets.

17. DISPUTE AVOIDANCE AND RESOLUTION.**A. Mediation and Mandatory Binding Arbitration, Waiver of Right to Trial by Jury, Etc.**

All claims, disputes, suits, actions, controversies, proceedings, or otherwise, of every kind (hereinafter “claim” or “claims”) arising between or involving the Franchisor and the Franchisee except as expressly provided below, will be resolved as described in this Section. This resolution process will apply to all such claims whether arising out of or relating to this or any other agreement or document, any alleged breach of duty (including the offer and/or sale of any franchise, any action for rescission or other action to set aside such sale or any other agreement), and on whatever theory or basis in fact. The resolution process will be as follows:

(1) First, the claim(s) will be discussed in a face-to-face meeting between the parties with individuals who are authorized to make binding commitments on their behalf. This meeting will be held at Franchisor’s then-current headquarters and within thirty (30) days after written notice is given proposing such a meeting. Either party may require the other to participate in the International Franchise Association’s Ombudsman (or similar) program prior to, or in conjunction with, any mediation, and all meetings to be held at Franchisor’s then-current headquarters.

(2) Second, if, in the opinion of either party, the meeting has not successfully resolved any of the claims at issue, they will be submitted to non-binding mediation through the American Arbitration Association (“AAA”).

(3) Third, if such mediation is not successful in resolving the dispute, claims will be submitted to and finally resolved by binding arbitration before and in accordance with the arbitration rules of AAA in Utah County, Utah. In each case, the parties to any mediation/arbitration will execute appropriate confidentiality agreements, excepting only such public disclosures and filings as required by law.

(4) Franchisor and Franchisee agree that this Agreement does not obligate them to mediate or arbitrate claims or issues relating primarily to (i) the validity of the Marks, or any trademarks, service marks or other Intellectual Property licensed to Franchisee, (ii) Franchisor’s rights to obtain possession of any real and personal property (including any action in unlawful detainer, ejectment or otherwise) (iii) Franchisor’s or Franchisee’s rights to obtain a writ of attachment and/or other pre-judgment remedies and/or (iv) Franchisor’s rights to receive and enforce a temporary restraining order, preliminary injunction, permanent injunction or other equitable relief (including, but not limited to, Franchisor’s rights to equitable relief with respect to Franchisee’s unlawful use of any of the Marks and/or other Intellectual Property and Franchisee’s breach of the confidentiality and/or non-compete provisions of this Agreement), intentional interruption by Franchisee or Franchisor of business operations with the exception of the provisions of Section 14 relating to Breaches, Defaults or Termination, and the exercise of any such rights and remedies will not be deemed a waiver of the rights to require or use mediation and/or arbitration.

(5) Franchisor and Franchisee each knowingly waive all rights to trial by a court or jury. The parties each understand that arbitration may be less formal than a court or jury trial, may use different rules of procedure and evidence, and may make appeals generally less available. However, both parties still prefer, and have mutually selected (for the reasons set forth in this Section and the following one), mediation and/or arbitration as provided in this Agreement to resolve any and all disputes and claims, except as expressly provided in Section 17.A(4). The parties have had an express meeting of the minds on each these matters as set forth in this Section and/or otherwise. Both parties further agree that the provisions of this Agreement will control the state or provincial laws by which this Agreement will be governed and construed, any provisions of state, provincial or other law to the contrary, and/or any

statements in Franchisor's Disclosure Document or otherwise required as a condition of registration or otherwise.

18. MISCELLANEOUS.

A. Severability and Substitution of Valid Provisions.

Each section, paragraph, term and provision of this Agreement shall be considered severable and if any portion of this agreement is held to be invalid, contrary to, or in conflict with any applicable present or future law or regulation, it shall not have any effect upon these other portions of this Agreement as may remain otherwise intelligible. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of or refusal to renew this agreement than is required under this Agreement, or the taking of some other action not required under it, or if under any applicable and binding law or rule of any jurisdiction, any provision of this agreement or any specification, standard or operating procedure prescribed by the Company is invalid or unenforceable, the prior notice and/or other action required by this law or rule shall be substituted for the comparable provisions of this Agreement, and the Company shall have the right to modify this invalid or unenforceable provision, specification, standard or operating procedure if required to be valid and enforceable. You must be bound by any modification to this Agreement. Otherwise, all modifications to this Agreement must be in writing signed by both Parties (except for modifications accomplished by virtue of the Company's amendment to System Standards and/or the Operations Manual as described herein). If any covenant herein which restricts competitive activity is deemed unenforceable by virtue of its scope or in terms of geographic area, type of business activity prohibited and/or length of time, but could be rendered enforceable by reducing any part or all of it, you and we agree that it will be enforced to the fullest extent permissible under applicable law and public policy.

Nothing in this Agreement or any related agreement is intended to disclaim Franchisor's representations made in the Uniform Franchise Disclosure Document.

B. Waiver of Obligation.

The Company and you may by written instrument unilaterally waive or reduce any obligation of, or restriction upon, the other under this Agreement, effective upon delivery of written notice to the other. The Company and you shall not be deemed to have waived or impaired any right, power or option reserved by this Agreement (i) by virtue of any custom or practice of the Parties at variance with the terms of this Agreement; (ii) any failure, refusal or neglect of the Company or you to exercise any right under this Agreement or to insist upon exact compliance by the other with its obligations under this Agreement; (iii) any waiver, forbearance, delay, failure or omission by the Company to exercise any right, power or option with respect to any other Bricks & Minifigs® stores; or (iv) the acceptance by the Company of any payments due from you after any breach of this Agreement. Neither the Company nor you shall be liable for loss or damage or deemed to be in breach of this Agreement if its failure to perform its obligations results from: (i) transportation shortages, inadequate supply of labor, material or energy, or the voluntary foregoing of the right to acquire or use any of the foregoing to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency thereof; (ii) compliance with any law, ruling, order, regulation, requirement or instruction of any agency of government; (iii) acts of God; (iv) acts of omissions of the other party; (v) fires, strikes, embargoes, war, or riot; or (vi) any other similar event or cause. Any delay resulting from any cause shall extend performance accordingly or excuse performance, in whole or in part, as may be reasonable.

C. Acknowledgement Addendum.

Franchisee acknowledges that Franchisee knowingly and truthfully executed Schedule 1 attached hereto, or documents identical thereto, in which Franchisee acknowledges certain statements and representations.

D. Costs and Attorney's Fees.

In a judicial proceeding, the non-prevailing party agrees to reimburse the prevailing party for all of the prevailing party's costs and expenses, including reasonable accounting, paralegal, expert witness and attorneys' fees.

E. Governing Law.

This Agreement shall be construed under the laws of the State of Utah, provided the foregoing shall not constitute a waiver of any of your rights under any applicable franchise law of another state. Otherwise, in the event of any conflict of law, Utah law will prevail, without regard to its conflict of law principles. However, if any provision of this Agreement would not be enforceable under Utah law, and if your Store is located outside of Utah and this provision would be enforceable under the laws of the state in which your Store is located, then this provision shall be construed under the laws of that state. Nothing in this Section is intended to subject this Agreement to any franchise or similar law, rule or regulation of the State of Utah to which it otherwise would not be subject.

F. Specific Performance/Injunctive Relief.

We may obtain in any court of competent jurisdiction any injunctive relief, including temporary restraining orders and preliminary injunctions, against conduct or threatened conduct for which no adequate remedy at law may be available or which may cause us irreparable harm. We may have this injunctive relief, without bond, but upon due notice, in addition to this further and other relief as may be available at equity or law, and your sole remedy in the event of the entry of this injunction, shall be its dissolution, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any injunction being expressly waived). You and each of your Owners acknowledge that any violation of Sections 9, 13.C(xi), 15C or 15D would result in irreparable injury to us for which no adequate remedy at law may be available. Accordingly, you and each of your Owner's consent to the issuance of an injunction prohibiting any conduct in violation of any of those Sections and agree that the existence of any claim you or any of your Owners may have against us, whether arising from this Agreement, shall not constitute a defense to the enforcement of any of those Sections.

G. Binding Effect.

This Agreement is binding upon the Parties to it and their respective executors, administrators, heirs, assigns, and successors in interest and shall inure to the benefit of any transferee or other legal successor to our interest herein.

H. Construction.

. The headings of Sections are for convenience only and do not limit or construe their contents. The word "including" shall be construed to include the words "without limitation." The term "Franchisee" as used in this Agreement is applicable to one or more persons, a corporation or a partnership and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine. If two or more persons are at any time Franchisee under this Agreement, their obligations and liabilities to the Company shall be joint and several. References to "Franchisee," "owner" and "assignee" which are applicable to an individual or individuals shall mean the Entity Owner or owners of Franchisee or an assignee (any person owning of record or beneficially 10% or more of the equity or control of Franchisee) if Franchisee or the assignee is a corporation or partnership. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

This Agreement may be signed in multiple copies, each of which shall be deemed an original. Time is of the essence in this Agreement.

I. Entire Agreement

The introduction hereto is a part of this Agreement (together with its appendices, all of which will be deemed to be part of this Agreement). This Agreement contains the final, complete and exclusive expression of the terms of Franchisor's agreement and entirely supersedes and replaces any and all prior and/or concurrent promises, agreements, representations or otherwise (whether oral or written) between Franchisee and Franchisor (or anyone else.) No prior and/or concurrent promises, agreements, representations or otherwise (whether oral or written) of any kind or nature whatsoever have been made by Franchisor or anyone else, nor have been relied upon by Franchisee nor will have any force or effect. Nothing in this Agreement or any related agreement is intended to disclaim Franchisor's representations made in the Uniform Franchise Disclosure Document.

J. Exercise of Rights.

The rights of Franchisor and Franchisee hereunder are cumulative and no exercise or enforcement by Franchisor or Franchisee of any right or remedy hereunder shall preclude the exercise or enforcement by Franchisor or Franchisee of any other right or remedy hereunder which Franchisor or Franchisee is entitled to enforce by law. If you commit any act of default under any agreement or this Agreement for which Franchisor exercises its right to terminate this Agreement, you shall pay to Franchisor the actual and consequential damages Franchisor incurs as a result of the premature termination of this Agreement. You acknowledge and agree that the proximate cause of these damages sustained by Franchisor is your act of default and not Franchisor's exercise of its right to terminate. Notwithstanding the foregoing, and except as otherwise prohibited or limited by applicable law, any failure, neglect, or delay of a party to assert any breach or violation of any legal or equitable right arising from or in connection with this Agreement shall constitute a waiver of this right and shall preclude the exercise or enforcement of any legal or equitable remedy arising therefrom, unless written notice specifying the breach or violation is provided to the other party within twenty-four months after the later of: (1) the date of the breach or violation; or (2) the date of discovery of the facts (or the date the facts could have been discovered, using reasonable diligence) giving rise to the breach or violation.

K. Approval and Consents.

Whenever this Agreement requires the approval or consent of either party, the other party shall make written request therefore, and this approval or consent shall be obtained in writing; provided however, unless specified otherwise in this Agreement, this party may withhold approval or consent, for any reason or for no reason at all. Furthermore, unless specified otherwise in this Agreement, no such approval or consent shall be deemed to constitute a warranty or representation of any kind, express or implied, and the approving or consenting party shall have no responsibility, liability or obligation arising therefrom.

L. Notices and Payments.

All written notices permitted or required to be delivered by this Agreement shall be deemed so delivered at the time delivered:

at the time delivered by hand to the recipient party or any officer, director, or partner of the recipient party;

on the same day of the transmission by facsimile, telegraph, e-mail or other reasonably reliable electronic communication system (provided sender has electronic confirmation of transmission);

one business day after being placed in the hands of a commercial courier service for guaranteed overnight delivery; or

five business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the party to be notified at its most current principal business address of which the notifying party has been notified in writing. All notices to us must include a copy to our General Counsel and our Chief Executive Officer to be effective. All payments and

reports required by this Agreement shall be sent to us at the address identified in this Agreement unless and until a different address has been designated by written notice to the other party. No restrictive endorsement on any check or in any letter or other communication accompanying any payments shall bind us, and our acceptance of any payments shall not constitute an accord and satisfaction.

All payment and reports required by this Agreement must be directed to the Company at the address notified to you.

M. Receipt of Disclosure Document and Agreement.

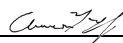
You acknowledge having received our Franchise Disclosure Document 14 calendar days before signing a binding agreement or making any payment to us relating to this agreement. You acknowledge having received this Agreement, with all blanks completed, at least seven calendar days before you signed it.

(Signatures on following page)

IN WITNESS WHEREOF, the Parties have signed, sealed and delivered this Franchise Agreement on the day and year first above written.

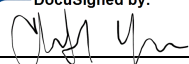
FRANCHISOR

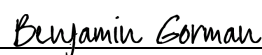
BAM FRANCHISING, INC.,
an Oregon corporation

DocuSigned by:
By: 
29ED4BCF2266485...
Print Name: Ammon McNeff
Title: President
Date: 2/6/2023

FRANCHISEE

BAMF Salem 1, LLC
an Oregon limited liability company

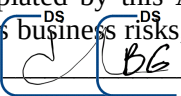
DocuSigned by:
By: 
9AFCCC1E0945407...
Print Name: Chrystal Law
Title: Owner
Date: 2/5/2023

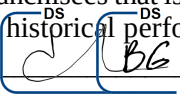
DocuSigned by:
By: 
841EF85EEF6D40C...
Print Name: Benjamin Gorman
Title: Co-Owner
Date: 2/4/2023

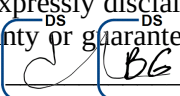
SCHEDULE 1**ACKNOWLEDGMENT ADDENDUM**

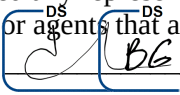
BAM Franchising, Inc., (“we”, “us”, the “Company” or “Franchisor”) and BAMF Salem 1, LLC, (“you” or “Franchisee”) have, this 3rd day of February, 2023, entered into a certain BAM Franchising, Inc. Franchise Agreement for a Bricks & Minifigs® Franchise (the “Franchise Agreement”) and desire to supplement its terms, as set out below.

1. You acknowledge and represent that you have read this Agreement and our Disclosure Document and understand and accept the provisions of this Agreement as being reasonably necessary to maintain our high standards of quality and service and the uniformity of those standards at all Bricks & Minifigs® stores franchised or operated by us and to protect and preserve the goodwill of the Marks.  (Franchisee’s Initials)

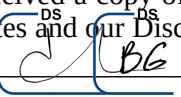
2. You acknowledge that you have conducted an independent investigation of the business venture contemplated by this Agreement and you recognize that, like any other business, the nature of the business contemplated by this Agreement may change over time, that an investment in a Bricks & Minifigs® stores involves business risks, and that the success of the venture is largely dependent upon your business abilities and efforts.  (Franchisee’s Initials)

3. You acknowledge and understand that any information relating to the sales, profits or cash flows of Bricks & Minifigs® stores operated by us or our Affiliates, or our franchisees that is contained in our Disclosure Document and other materials is intended only to be an indication of historical performance of certain Bricks & Minifigs® stores and NOT of potential future financial performance.  (Franchisee’s Initials)

4. Except for the financial performance representations, if any, included in our Disclosure Document, we expressly disclaim the making of, and you acknowledge that you have not received, any express or implied warranty or guarantee as to the revenues, profits or success of the business venture contemplated by this Agreement.  (Franchisee’s Initials)

5. You acknowledge and understand that our officers, directors, employees and agents are acting only in a representative and not a personal capacity in their dealings with you. You also acknowledge and represent that you have not received any representations about us or our franchise program or policies from us or our officers, directors, employees or agents that are contrary to the statements made in our Disclosure Document or to the terms of this Agreement.  (Franchisee’s Initials)

6. You represent to us, as an inducement to your entry into this Agreement, that all statements in your application for the rights granted in this Agreement are accurate and complete and that you have made no misrepresentations or material omissions in obtaining these rights.  (Franchisee’s Initials)

7. You acknowledge that you received a copy of this Agreement, all applicable addenda, and any other related agreements with us or our Affiliates and our Disclosure Document at least 14 calendar days before the date on which this Agreement was signed.  (Franchisee’s Initials)

8. You acknowledge and agree that this Agreement, together with any duly signed amendment or addendum attached to the Agreement contain the entire agreement between the Parties with respect to your Franchise for the Store, and that it supersedes any prior or contemporaneous agreements between the Parties, written or oral, with respect to the Franchise for the Store.  (Franchisee’s Initials)

9. You acknowledge and agree that this Agreement creates an arm’s length commercial relationship that cannot and will not be transformed into a fiduciary or other “special” relationship by course of dealing, by

any indulgences or benefit that we bestow on you, or by inference from a party's conduct.
(Franchisee's Initials)

DS
DS
BG

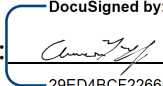
10. This Acknowledgment Addendum does not limit any claims arising under Washington's Franchise Investment Protection Act, chapter 19.100 RCW. (Franchisee's Initials)

DS
DS
BG

IN WITNESS WHEREOF, the undersigned have signed this Agreement on the date first above written.

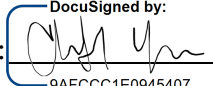
FRANCHISOR

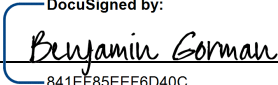
BAM FRANCHISING, INC.,
an Oregon corporation

By: 
29ED4BCF2266485...
Print Name: Ammon McNeff
Title: President
Date: 2/6/2023

FRANCHISEE

BAMF Salem 1, LLC
an Oregon limited liability company

By: 
9AFCCC1E0945407...
Print Name: Chrystal Law
Title: Owner
Date: 2/5/2023

By: 
841EF85EEF6D40C...
Print Name: Benjamin Gorman
Title: Co-Owner
Date: 2/4/2023

SCHEDULE 2**OWNERSHIP ADDENDUM TO BAM FRANCHISING
FRANCHISE AGREEMENT**

BAM Franchising, Inc., (“we”, “us”, the “Company” or “Franchisor”) and BAMF Salem 1, LLC, (“you” or “Franchisee”) have, this 3rd day of February, 2023, entered into a certain BAM Franchising, Inc. Franchise Agreement for a Bricks & Minifigs® Franchise (the “Franchise Agreement”) and desire to supplement its terms, as set out below. The Parties therefore agree as follows:

1. Operating Partner.

The name, home address, and social security number of the Operating Partner is as follows:

<u>Name</u>	<u>Home Address</u>	<u>SSN</u>
Crystal Law	[REDACTED - ADDRESS]	[REDACTED]

2. Entity Type of Franchisee(a) Corporation or Limited Liability Company.

Franchisee was organized on the 5 day of February, 2023, under the laws of the State of Oregon. Its Federal Identification Number is 87-4524029. It has not conducted business under any name other than its corporate or company name. The following is a list of all of Franchisee’s directors and officers or managing members as of the 5 day of February, 2023.

<u>Director/Officer/Managing Member’s Names</u>	<u>Position(s) Held</u>
Crystal Law	Owner
Benjamin Gorman	Co-Owner

(b) Partnership.

Franchise is a [general]____ [limited]____ partnership formed on the ____ day of _____, 20____, under the laws of the State of _____. Its Federal Identification Number is _____. It has not conducted business under any name other than its partnership name. The following is a list of all of Franchisee’s general partners as of the ____ day of _____, 20____.

General Partner’s Names

3. Owners. Franchisee and each of its Owners represents and warrants that the following is a complete and accurate list of all Owners of Franchisee, including the full name, mailing address, and social security number of each Owner, and fully describes the nature and extent of each Owner’s interest in Franchisee. Franchisee and each Owner as to his/her ownership interest in Franchisee, represents and warrants that each Owner is the sole and exclusive legal beneficial owner of his/her ownership interest in Franchisee, free and clear of all liens, restrictions, agreements and encumbrances of any kind or nature, other than those required or permitted by the Agreement.

<u>Owner’s Name & SSN</u>	<u>Owners Address</u>	<u>Ownership Percentage</u>
Chrystal Law	[REDACTED]	51%
Benjamin Gorman	[REDACTED]	49%

4. Change. You must immediately notify us in writing of any change in the information contained in this Addendum and, at our request, prepare and sign a new Addendum containing the correct information.

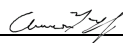
5. Date of Addendum. The date of this Addendum this 3rd day of February, 2023.

(Signatures on following page)

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his/her signature as of the 3rd day of February, 2023.

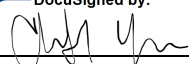
FRANCHISOR

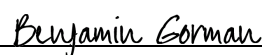
BAM FRANCHISING, INC.,
an Oregon corporation

DocuSigned by:
By: 
29ED4BCF2266485...
Print Name: Ammon McNeff
Title: President
Date: 2/6/2023

FRANCHISEE

BAMF Salem 1, LLC
an Oregon limited liability company

DocuSigned by:
By: 
9AFCCC1E0945407...
Print Name: Chrystal Law
Title: Owner
Date: 2/5/2023

DocuSigned by:
By: 
841EF85EEF6D40C...
Print Name: Benjamin Gorman
Title: Co-Owner
Date: 2/4/2023

SCHEDULE 3

GUARANTY

In consideration of, and as an inducement to, the signing of an BAM Franchising, Inc. Franchise Agreement dated February 3, 2023 (the “Agreement”) by and between BAM Franchising, Inc. (“Franchisor”) and BAMF Salem 1, LLC (“Franchisee”), each of the undersigned owners of a 10% or greater interest in Franchisee for themselves, their heirs, legal representatives, successors and assigns (collectively the “Guarantors”) do hereby personally, unconditionally, individually, jointly and severally: (1) guarantee to Franchisor and to its successors and assigns, for the term of Agreement and thereafter as provided in the Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement (and any modification or amendment to the Franchise Agreement) including the payment of all continuing license fees, marketing fees and all other fees and charges accruing pursuant to the Franchise Agreement and that each and every representation of Franchisee made in connection with the Agreement (and any modification or amendment to the Franchise Agreement) are true, correct and complete in all respects at and as of the time given; and (2) agree personally to be bound by, and personally liable for the breach of, each and every provision in the Agreement (and any modification or amendment to the Franchise Agreement).

Each of the Guarantors further agrees as follows:

1. The Guarantors, individually, jointly and severally, shall be personally bound by each and every condition and term contained in the Franchise Agreement as though each of the Guarantors had signed a franchise agreement containing the identical terms and conditions of the Franchise Agreement, including the provisions relating to confidentiality and non-competition covenants. This Guaranty shall continue in favor of Franchisor notwithstanding any extension, modification, or alteration of the Franchise Agreement, and notwithstanding any assignment of the Franchise Agreement, with or without the Franchisor’s consent. No extension, modification, alteration or assignment of the Franchise Agreement shall in any manner release or discharge the Guarantors, and each of the Guarantors consents to any extension, modification, alteration or assignment.
2. Each Guarantor’s liability under this Guaranty is primary and independent of the liability of Franchisee and any other Guarantors. Each Guarantor waives any right to require Franchisor to proceed against any other person or to proceed against or exhaust any security held by Franchisor at any time or to pursue any right of action accruing to Franchisor under the Franchise Agreement. Franchisor may proceed against each Guarantor and Franchisee, jointly and severally or may, at its option, proceed against each Guarantor without having commenced any action, or having obtained any judgment, against Franchisee or any other Guarantor. Each Guarantor waives the defense of the statute of limitations in any action under this Guaranty or for the collection of any indebtedness or the performance of any obligation guaranteed pursuant to this Guaranty. Each Guarantor waives any right that the undersigned may have to require that an action be brought against Franchisee or any other person as a condition of liability. Each Guarantor waives any and all other notices and legal or equitable defenses to which the undersigned may be entitled.
3. The Guarantors unconditionally, individually, jointly and severally agree to pay all attorneys’ fees and all costs and other expenses incurred in any collection or attempted collection of this Guaranty or in any negotiations relative to the obligations guaranteed or in enforcing this Guaranty against Franchisee.
4. Each Guarantor waives notice of any demand by Franchisor, any notice of default in the payment of any amounts contained or reserved in the Franchise Agreement (and any modification or amendment to the Franchise Agreement), or any other notice of default or nonperformance of any obligations under the Franchise Agreement. Each Guarantor waives protest and notice of default to any party with respect to indebtedness, default or nonperformance of any obligations under the Franchise Agreement (and any modification or amendment to the Franchise Agreement).

Each Guarantor expressly agrees that the validity of this Guaranty and its obligations shall in no way be terminated, affected or impaired by reason of any waiver by Franchisor, or its successors or assigns, or the failure of Franchisor to enforce any of the terms, covenants or conditions of the Franchise Agreement or this Guaranty, or the granting of any indulgence or extension of time to Franchisee, all of which may be given or done without notice to the Guarantors.

5. This Guaranty shall extend, in full force and effect, to any assignee or successor of Franchisor and shall be binding upon the Guarantors and each of their respective successors and assigns.

6. Until all obligations of Franchisee to Franchisor have been paid or satisfied in full, the Guarantors have no remedy or right of subrogation and each Guarantor waives any right to enforce any remedy which Franchisor has or may in the future have against Franchisee and any benefit of, and any right to participate in, any security now or in the future held by Franchisor.

7. All existing and future indebtedness of Franchisee to each Guarantor is hereby subordinated to all indebtedness and other monetary obligations guaranteed in this Guaranty and, without the prior written consent of Franchisor, shall not be paid in whole or in part to any Guarantor, nor will any Guarantor accept any payment of or on account of any indebtedness while this Guaranty is in effect, unless at the time of this payment, all indebtedness and other monetary obligations to Franchisor are current under the terms of the Franchise Agreement.

8. Each Guarantor consents and agrees that the undersigned shall render any payment or performance required under this Guaranty and that the liability of each Guarantor shall be joint and several. This liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which the Franchisor may periodically grant to Franchisee or to any other person including the acceptance of any partial payment or performance or the compromise or release of any claims, none of which shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable until satisfied in full.

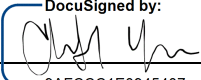
9. Each Guarantor waives acceptance and notice of acceptance by Franchisor of the foregoing undertakings. Each Guarantor waives notice of any amendment to the Agreement.

You and your owners irrevocably submit to the jurisdiction of the courts of the State of Utah in any suit, action or proceeding, arising out of or relating to this Guaranty or any other dispute between you and us, and you irrevocably agree that all claims in respect of any suit, action or proceeding must be brought and/or defended except with respect to matters that are under the exclusive jurisdiction of the Federal Courts of the United States, which shall be brought and/or defended in the Federal District Court sitting in Salt Lake City, Utah. You irrevocably waive, to the fullest extent you may lawfully do so, the defense of an inconvenient forum to the maintenance of this suit, action, or proceeding and agree that service of process for purposes of any suit, action, or proceeding need not be personally served or served within the State of Utah, by certified mail or any other means permitted by law addressed to you at the address set forth herein. Nothing contained herein shall affect our rights to bring a suit, action or proceeding in any other appropriate jurisdiction, including any suit, action or proceeding brought by us to enforce any judgment against you entered by a State or Federal Court.

(Signatures on following page)

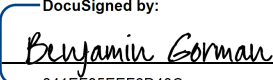
IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his/her signature as of the 3rd day of February, 2023.

GUARANTOR(S):

By:  DocuSigned by:
9AFCCC1E0945407...
Print Name: Crystal Law
Title: Owner
Date: 2/5/2023

By: _____
Print Name: _____
Title: _____
Date: _____

By: _____
Print Name: _____
Title: _____
Date: _____

By:  DocuSigned by:
841EF85EEF6D40C...
Print Name: Benjamin Gorman
Title: Co-Owner
Date: 2/4/2023

By: _____
Print Name: _____
Title: _____
Date: _____

By: _____
Print Name: _____
Title: _____
Date: _____

SCHEDULE 4**LEASE ADDENDUM**

This Lease Addendum is signed as of this ____ day of _____, 20____, by and between BAMF Salem 1, LLC (“Franchisee”) and _____ (“Landlord”) as an addendum to the lease (as periodically modified, amended, supplemented, renewed, and/or extended as contemplated herein, the “Lease”) for the Accepted Location located at _____, state of _____ (the “Accepted Location”) dated as of _____, 20____.

The Lease is hereby modified to include the following provisions. In the event the provisions below contradict the provisions of the Lease, the provisions contained herein shall supersede any terms to the contrary set forth in the Lease.

WHEREAS, Franchisee has signed or intends to sign a Franchise Agreement (the “Franchise Agreement”) with BAM Franchising, Inc. (the “Franchisor”) for the operation of a Bricks & Minifigs® stores at the Accepted Location, and as a requirement thereof, the lease for the Accepted Location must include the provisions contained in this Addendum.

NOW THEREFORE, in consideration of mutual covenants set forth herein, the signing and delivery of the Lease, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord and Franchisee hereby agree as follows:

1. Landlord shall deliver to Franchisor a copy of any notice of default or termination of the Lease at the same time this notice is delivered to Franchisee. In the event of default by Franchisee, Landlord must provide notice to Franchisor of Franchisee’s default under the Lease, and Landlord must provide Franchisor with the right (but not the obligation) to cure Franchisee’s default.
2. Notwithstanding anything to the contrary contained in the Lease, Franchisee shall have the absolute right to sublet, assign, or otherwise transfer its interest in the Lease to Franchisor or any of its affiliates, or to a corporation with which the Franchisee or Franchisor may merge or consolidate, without Landlord’s approval, written or otherwise.
3. If the Franchisor requests, the Franchisee shall assign to Franchisor, and Landlord hereby irrevocably and unconditionally consents to this assignment, all of Franchisee’s rights, title, and interest to and under the Lease, but no such assignment shall be effective unless:
 - a. The Franchise Agreement is terminated or expires without signing of a successor franchise agreement; and
 - b. Franchisor notifies the Franchisee and Landlord in writing that Franchisor assumes Franchisee’s obligations under the lease.
4. Franchisor shall have the right, but not the obligation, upon giving written notice of its election to Franchisee and Landlord, to cure any breach of the Lease and, if so stated in the notice, to also succeed to Franchisee’s rights, title, and interests there under.
5. The Lease may not be amended, modified, extended, supplemented, assigned, or renewed in any manner or assigned by Franchisee without Franchisor’s prior written consent.
6. Franchisee and Landlord acknowledge and agree that Franchisor shall have no liability or obligation whatsoever under the Lease unless and until Franchisor assumes the Lease in writing pursuant to Sections 3,

Schedule 4

2022 Bricks & Minifigs®

Franchise Agreement

4, or 5 above. Franchisor will assume all of Franchisee's obligations under the Lease or Sublease from and after the date of assignment, but shall have no obligation to pay any delinquent rent or to cure any other default under the Lease that occurred or existed before the date of assignment.

7. If Franchisor assumes the Lease, as above provided, Franchisor may further assign the Lease to another person or entity to operate the Bricks & Minifigs® stores at the Accepted Location, subject to Landlord's consent, which consent will not be unreasonably withheld or delayed. Landlord agrees to sign such further documentation to confirm its consent to the assignments permitted under this Addendum as Franchisor may request.
8. Landlord and Franchisee hereby acknowledge that Franchisee has agreed under the Franchise Agreement that Franchisor and its employees or agents shall have the right to enter the Accepted Location for certain purposes. Landlord hereby agrees not to interfere with or prevent this entry by Franchisor, its employees, or its agents, onto the Accepted Location. Landlord and Franchisee hereby further acknowledge that in the event the Franchise Agreement expires (without renewal) or is terminated, Franchisee is obligated to take certain steps under the Franchise Agreement to de-identify the location as a Bricks & Minifigs® stores. Landlord agrees to permit Franchisor, its employees, or its agents, to enter the Accepted Location and remove signs (both interior and exterior), décor, and materials displaying any marks, designs, or logos owned by Franchisor, provided Franchisor shall bear the expense of repairing any damage to the Accepted Location as a result thereof.
9. Under the Franchise Agreement, any lease for the location of a Bricks & Minifigs® stores is subject to Franchisor's approval. Accordingly, the Lease is contingent upon this approval.
10. Upon Franchisor's request, Franchisee hereby authorizes and requires the Landlord to disclose to Franchisor, upon Franchisor's request, sales and other information that Franchisee furnishes to the Landlord.
11. Landlord agrees that Franchisor, or Franchisor's assignee or designee has the right (but not the obligation) to assume the Lease or sublease: (1) upon expiration or termination of the Franchise Agreement (without renewal) between Franchisee and Franchisor; (2) if Franchisee fails to exercise any options to renew or extend the Lease during the term of the Franchise Agreement between Franchisee and Franchisor; (3) if Franchisee commits a default that gives the Landlord the right to terminate the Lease or sublease; or (4) if Franchisor purchases Franchisee's Store (as permitted by the Franchise Agreement between Franchisor and Franchisee).
12. Landlord and Franchisee agree that if Landlord is an Owner or an Affiliate of the Franchisee, as defined in the Franchise Agreement, and Landlord proposes to sell the Accepted Location, before the sale of the Accepted Location, the Lease upon the request of the Franchisor shall be amended to reflect a rental rate and other terms that are the reasonable and customary rental rates and terms prevailing in the community where the Bricks & Minifigs® stores is located.
13. Landlord agrees that during and after the term of the Lease, it will not disclose or use Confidential Information (as defined below) for any purpose other than for the purpose of fulfilling Landlord's obligations under the Lease. "**Confidential Information**" as used herein shall mean all non-public information and tangible things, whether written, oral, electronic or in other form, provided or disclosed by or on behalf of Franchisee to Landlord, or otherwise obtained by Landlord, regarding the design and operations of the business located at the Accepted Location, including all information identifying or describing the floor plan, equipment, furniture, fixtures, wall coverings, flooring materials, shelving, decorations, trade secrets, trade dress, "look and feel," layout, design, formulas, manner of operation, suppliers, vendors, and all other products, goods, and services used, useful or provided by or for Franchisee

on the Accepted Location. Landlord acknowledges that all Confidential Information belongs exclusively to Franchisor. Landlord agrees that should it breach or threaten to breach this provision of the Addendum, Franchisor will suffer irreparable damages and its remedy at law will be inadequate. Therefore, if Landlord threatens or actually breaches this provision, Franchisor (which, along with successors and assigns, is an intended third-party beneficiary of the provisions of this paragraph), shall be entitled to all remedies available to Franchisor at law or in equity, including injunctive relief.

14. Landlord agrees to provide that a memorandum of the Lease be recorded in the appropriate recorder's office in the county in which the Store is located and that a copy of the recording certificate be sent to Franchisor.
15. Landlord acknowledges that it has reviewed the Approved Bricks & Minifigs Design and Signage Package. Landlord agrees and consents to Franchisee's use of one or more of the signs described in the Approved Bricks & Minifigs Design and Signage Package and all trade dress elements found in the same Approved Bricks & Minifigs Design and Signage Package as required by Franchisor.
16. Copies of any and all notices required or permitted hereby or by the Lease shall also be sent to Franchisor at:

BAM Franchising, Inc.
225 West 520 North
Orem, Utah 84057

with a copy to General Counsel at the same address or such other address as Franchisor shall specify by written notice to Landlord.

WITNESS the signing hereof under seal.

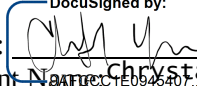
LANDLORD:

FRANCHISEE

(Name of corporation, partnership, limited liability company or other legal entity)

By: _____
Print Name: _____
Title: _____
Date: _____

BAMF Salem 1, LLC

DocuSigned by:
By: 
Print Name: Crystal Law
Title: Owner
Date: 2/5/2023

SCHEDULE 5**INVESTOR PERSONAL COVENANTS REGARDING CONFIDENTIALITY
& NON-COMPETITION**

In conjunction with your investment in _____ (“Franchisee”) a _____ [Utah limited liability company, etc.], you (“Investor” or “you”), acknowledge and agree as follows for the benefit of BAM Franchising, Inc. (“Franchisor”):

1. Franchisee owns and operates, or is developing, a Bricks & Minifigs® stores located at, or to be located at, _____ pursuant to a franchise agreement dated _____, 20____ (“Franchise Agreement”) with Franchisor, which Franchise Agreement requires persons with legal or beneficial ownership interests in Franchisee under certain circumstances to be personally bound by the confidentiality and non-competition covenants contained in the Franchise Agreement. All capitalized terms contained herein shall have the same meaning set forth in the Franchise Agreement.
2. You own or intend to own the percentage legal or beneficial ownership interest in Franchisee, set forth beneath your signature below, and acknowledge set forth below your signature below and agree that your signing of this Agreement is a condition to this ownership interest and that you have received good and valuable consideration for signing this Agreement. Franchisor may enforce this Agreement directly against you and your Owners (as defined below).
3. If you are a corporation, partnership, limited liability company or other entity, all persons who have a legal or beneficial interest in you (“Owners”) must also sign this Agreement.
4. You and your Owners, if any, may gain access to parts of our Confidential Information as a result of investing in Franchisee. The Confidential Information is proprietary and includes Bricks and Minifigs® trade secrets. You and your Owners hereby agree that while you and they have a legal or beneficial ownership interest in Franchisee and thereafter you and they: (a) will not use the Confidential Information in any other business or capacity (such use being an unfair method of competition); (b) will maintain the confidentiality of the Confidential Information; and (c) will not make unauthorized copies of any portion of the Confidential Information disclosed in written, electronic or other form. If you or your Owners cease to have an interest in Franchisee, you and your Owners, if any, must deliver to us any Confidential Information in your or their possession or control.
5. During the term of the Franchise Agreement and during this time as you and your Owners, if any, have any legal or beneficial ownership interest in Franchisee, you and your Owners, if any, agree that you and they will not, without Franchisor’s written consent (which consent may be withheld at Franchisor’s discretion) directly or indirectly (such as through an Affiliate or through you or their Immediate Families) own any legal or beneficial interest in, or render services or give advice in connection with: (a) any Competitive Business located anywhere; or (b) any entity located anywhere which grants franchises, or licenses to others to operate any Competitive Business.
6. For a period of two years, starting on the earlier to occur of the date you or Owners cease to have any legal or beneficial ownership interest in Franchisee and the effective date of termination or expiration (without renewal) of the Franchise Agreement, neither you nor any of your Owners directly or indirectly (such as through an Affiliate or through you or their Immediate Families) shall own a legal or beneficial interest in, or render services or give advice to: (a) any Competitive Business operating within a radius of five miles of any Bricks & Minifigs® store then in operation or under construction; (b) any entity which grants franchises or licenses other interests to others to operate any Competitive Business; or (c) recruit or hire any person who is

Schedule 5
2022 Bricks & Minifigs®
Franchise Agreement

an employee of yours, ours or of any Bricks & Minifigs® store operated by us, our Affiliates or any franchisee of ours without obtaining the employer's consent, which consent may be withheld for any reason. If you or any of your Owners fail to or refuse to abide by any of the foregoing covenants and Franchisor obtains enforcement in a judicial proceeding, the obligations under the breached covenant will continue in effect for a period of time ending two years after the date of the order enforcing the covenant.

7. You and each of your Owners expressly acknowledge the possession of skills and abilities of a general nature and the opportunity to exploit these skills in other ways, so that enforcement of the covenants contained in Sections 5 and 6 will not deprive any of you of your personal goodwill or ability to earn a living. If any covenant herein which restricts competitive activity is deemed unenforceable by virtue of its scope or in terms of geographic area, type of business activity prohibited and/or length of time, but could be rendered enforceable by reducing any part or all of it, you and we agree that it will be enforceable to the fullest extent permissible under applicable law and public policy. In addition to relief as may be available at equity or law, Franchisor may obtain in any court of competent jurisdiction any injunctive relief, including temporary restraining orders and preliminary injunctions, against conduct or threatened conduct for which no adequate remedy at law may be available or which may cause it irreparable harm. You and each of your Owners acknowledge that any violation of Sections 4, 5, or 6 hereof would result in irreparable injury for which no adequate remedy at law may be available. If Franchisor files a claim to enforce this Agreement and prevails in this proceeding, you must reimburse Franchisor for all its costs and expenses, including reasonable attorneys' fees.
8. This Confidentiality and Non-Competition Agreement does not supersede nor cancel any prior understandings and agreements you and your Owners had with respect to these matters, including any provision of the Franchise Agreement and the Prospective Candidate Confidentiality Agreement previously entered into pertaining to confidentiality. You and your Owners have read this Confidentiality and Non-Competition Agreement thoroughly, understand it, and sign it freely and voluntarily.

(Signatures on following page)

IN WITNESS WHEREOF, the undersigned have signed this Agreement on the date first above written.

INVESTOR

If an individual

By: _____
Print Name: _____
Title: _____
Date: _____
% Ownership of Franchisee: _____

If a corporation, partnership, limited liability company or other legal entity

(Name of corporation, partnership, limited liability company or other legal entity)
By: _____
Print Name: _____
Title: _____
Date: _____
% Ownership of Franchisee: _____

OWNERS

By: _____
Print Name: _____
Title: _____
Date: _____

By: _____
Print Name: _____
Title: _____
Date: _____

By: _____
Print Name: _____
Title: _____
Date: _____

By: _____
Print Name: _____
Title: _____
Date: _____

SCHEDULE 6**AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS
(DIRECT DEBITS)**

Important Instructions for Completing this Form: Before we can process your Franchise Agreement, you must sign and return this authorization. If, at the time you sign your Franchise Agreement, you do not have your account set up, or if you do not yet know your account information, please show that you agree to the terms of this authorization by signing this form, leaving the account information blank, and returning the signed form with your Franchise Agreement. You can give us your account information when you receive it, but we must have the information before you open your Store. If you have any questions about what this form means, you should get advice from your lawyer, your accountant or your bank.

Your Name (or name of legal entity on Franchise Agreement): OreCrystal Law

Your Social Security Number (or legal entity Federal Tax ID Number): [REDACTED]

Name on Bank Account (if different than above): _____

The undersigned ("ACCOUNT HOLDER") hereby authorizes BAM Franchising, Inc. ("COMPANY") to initiate debit entries and/or credit correction entries to ACCOUNT HOLDER's checking and/or savings account(s) listed below at the bank, credit union or other depository listed below ("BANK") and to debit this account per COMPANY's instructions for any and all amounts due to COMPANY. The ACCOUNT HOLDER understands that all amounts debited from the account below will be credited to COMPANY's account. INSTEAD OF COMPLETING THE INFORMATION REQUIRED ON THE FOLLOWING FOUR LINES, YOU MAY ATTACH A CANCELLED OR VOIDED CHECK TO THIS AUTHORIZATION, BECAUSE A VOIDED CHECK INCLUDES ALL OF THIS INFORMATION.

Oregon State Credit Union

NAME OF BANK

Branch

City

State

Zip Code

Telephone Number of Bank

Contact Person at Bank

323274270

6880772000

Bank Transit/ABA Number

Account Number

This authority is to remain in effect until BANK has received joint written notice from COMPANY and ACCOUNT HOLDER of the ACCOUNT HOLDER's termination. Any termination notice must be given in a way as to give BANK a reasonable opportunity to act on it. If a debit entry is initiated to ACCOUNT HOLDER's account in error, ACCOUNT HOLDER shall have the right to have the amount of the error credited to the account by BANK, if (a) within 15 calendar days following the date on which BANK sent to ACCOUNT HOLDER a statement of account or a written notice regarding this entry or (b) 45 days after posting, whichever occurs first, ACCOUNT HOLDER shall have sent to BANK a written notice identifying this entry, stating that this entry was in error and requesting BANK to credit the amount thereof to this account. These rights are in addition to any rights ACCOUNT HOLDER may have under federal and state banking laws.

ACCOUNT HOLDER

By: [Signature]

Title: Owner

Date: 2/5/2023

Schedule 6
2022 Bricks & Minifigs®
Franchise Agreement

SCHEDULE 7

SITE SELECTION ADDENDUM

BAM Franchising, Inc., (“we”, “us”, the “Company” or “Franchisor”) and BAMF Salem 1, LLC, (“you” or “Franchisee”) have, this 3rd day of February, 2023, entered into a certain Bricks & Minifigs Franchise Agreement (“Franchise Agreement”) and desire to supplement its terms, as set out below. The Parties therefore agree as follows:

1. Criteria for Site Approval.

You agree that within sixty (60) days after the signing of the Franchise Agreement, you will locate and obtain our approval for a site within the Territory for the establishment of your Store. For purposes of this Agreement, “Territory” is defined as set forth on the attached map.

You must submit to us the following:

- (a) a complete a site proposal form containing population, growth, income, and other potential customer demographics information, traffic patterns, access, visibility, location of other retail Store and relative sales performance (including other Bricks & Minifigs® stores) and size, condition, configuration, appearance and other physical characteristics of the site and all other information that we reasonably require for the site;
- (b) if the Accepted Location for the proposed site are to be leased, satisfactory evidence that the lessor will agree to the minimum requirements contained in the Lease Addendum to be signed between us, you and the lessor, attached to the Franchise Agreement as Schedule 4; and
- (c) any other information or materials as we may require, such as a letter of intent or other document which confirms your favorable prospects for obtaining the proposed site.

2. Site Approval.

We will approve or reject each site for which you submit to us a complete Site Proposal Package in accordance with Section 4A of the Franchise Agreement and, if we approve the site, we will do so by delivering our standard Site Approval Letter. Our Site Approval Letter, duly signed by us, is the exclusive means by which we approve a proposed site, and no other direct or indirect representation, approval or acceptance, whether in writing or verbally, by any of our officers, employees or agents, shall be effective or bind us. We will use all reasonable efforts to make a site approval decision and, if the site is approved, deliver a Site Approval Letter to you within 30 days after we receive the complete Site Proposal Package and any other materials we have requested. In deciding whether to approve or reject a site you propose, we may consider such factors as we, in our sole discretion, deem appropriate, including the general location and neighborhood, population, growth, income, and other potential customer demographics information, traffic patterns, access, visibility, location of other Store (including other Bricks & Minifigs® stores) and size, condition, configuration, appearance and other physical characteristics of the site. Neither our approval of a proposed site, nor any information communicated to you regarding our standard site selection criteria or the proposed site, constitutes a warranty or representation of any kind, express or implied, as to the suitability of the proposed site, but merely signifies that we are willing to grant a franchise for a Bricks & Minifigs® stores at that location in accordance with the terms of the Franchise Agreement. Your decision to develop and operate a Bricks & Minifigs® store at any site is based solely on your own independent investigation of the suitability of the site for a Bricks & Minifigs® store. In consideration of our approval of a proposed site, you and your Owners agree to release us, and our Affiliates, shareholders, members, officers, directors, employees, agents, successors and assigns from any and all loss, damages and

liability arising from or in connection with the selection and/or approval of this site for the development of a Bricks & Minifigs® store.

3. Costs of On-Site Evaluation.

We may also provide an on-site evaluation of sites proposed pursuant hereto as we deem necessary or appropriate. If we deem it necessary to provide an on-site evaluation of the proposed site, you must coordinate and arrange for the visit by our representative or agent and may be required to pay our related travel expenses.

4. Extensions.

Upon your written request, we, at our sole discretion and without obligation, may grant a written extension or extensions to the period for approval of a proposed site.

5. Purchase Agreement/Lease.

You must lease, sublease or purchase the Accepted Location within 180 days after signing the Franchise Agreement. We have the right to approve the terms of any lease, sublease or purchase contract for the Accepted Location, and you must deliver a copy to us for our approval before you sign it. You agree that any lease or sublease for the Accepted Location must, in form and substance, be satisfactory to us, include all of the provisions set forth on Schedule 4. You may not sign a lease, sublease or purchase contract or any modification thereof without our approval. Our approval of the lease, sublease, or purchase contract does not constitute a warranty or representation of any kind, express or implied, as to its fairness or suitability or as to your ability to comply with its terms. We do not, by virtue of approving the lease, sublease or purchase contract, assume any liability or responsibility to you or to any third parties. You must deliver a copy of the fully signed lease, sublease, or purchase contract to us within five days after its signing. If you, one of your Owners, or one of your Affiliates at any time owns the Accepted Location, you must immediately notify us and we may require that you or such Owner or Affiliate (1) enter into an agreement with us in recordable form granting us the right and option, in the event of a termination (for whatsoever reason) of the Franchise Agreement, to lease the Accepted Location at fair market rental rates for a term coterminus with the term of the Franchise Agreement for these Accepted Location; or (2) enter into a prime lease with us at fair market rental rates for a term coterminus with the term of the Franchise Agreement for these Accepted Location and a sublease with us on the same terms as the prime lease. The prime lease and sublease referenced in the preceding sentence shall be on the then current lease and the sublease forms used by us.

If the lease for your Store expires or is terminated before the end of the term, you may move your Store to another location chosen in accordance with our site evaluation and approval process found in Section 4A of the Franchise Agreement. The new location (1) must be in the original Store's Territory, as determined by us, and (2) may in no case infringe upon a franchise agreement or other agreement applicable to another Store.

If you lose possession of your Store's Accepted Location because the lease expired by its terms, or on account of condemnation or eminent domain proceedings, or as the result of early termination pursuant to Section 14 of the Franchise Agreement, you must initiate the relocation procedure in time to lease, build-out and open your Store for business within 60 days after the original Store closes. If your lease is terminated on account of a fire or other casualty, you must initiate the relocation procedure in time to lease, build-out and open your Store for business within 120 days after the lease for the original Store terminates.

6. Affect and Interpretation.

This Addendum will be considered an integral part of the Franchise Agreement between the Parties, and the terms of this Addendum will be controlling with respect to the subject matter hereof. Except as modified or supplemented by this Addendum, the terms of the Franchise Agreement are hereby ratified and confirmed.

(Signatures on following page)

IN WITNESS WHEREOF, the Parties have signed and delivered this Agreement on the day and year first above written.

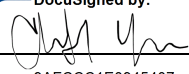
FRANCHISOR

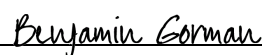
BAM FRANCHISING, INC.,
an Oregon corporation

DocuSigned by:
By: 
29ED4BCF2266485...
Print Name: Ammon McNeff
Title: President
Date: 2/6/2023

FRANCHISEE

BAMF Salem 1, LLC
an Oregon limited liability company

DocuSigned by:
By: 
9AFCCC1E0945407...
Print Name: Chrystal Law
Title: Owner
Date: 2/5/2023

DocuSigned by:
By: 
841EF85EEF6D40C...
Print Name: Benjamin Gorman
Title: Co-Owner
Date: 2/4/2023

 TacticianCloud Component Detail



Salem
Analysis Level: ZIP

2/2/2023 4:26:51 PM
Longitude: -123.009367
Latitude: 44.934216
Trade Area built from components

Salem

ZIP	Dist	Population (2019)	Households (2019)	Area Name	STabbrev
97301	1.40	57,745	19,767	Salem	OR
97302	3.40	41,715	17,629	Salem	OR
97303	6.62	42,157	15,787	Salem	OR
97304	8.05	31,926	12,368	Salem	OR
97305	6.48	43,893	15,106	Salem	OR
97306	7.31	30,793	12,145	Salem	OR
97317	5.88	27,356	8,652	Salem	OR
97321	21.01	27,734	10,848	Albany	OR
97322	20.42	36,590	14,402	Albany	OR
97325	10.83	7,266	2,511	Aumsville	OR
97338	16.06	22,558	8,760	Dallas	OR
97351	11.72	11,944	3,798	Independence	OR
97352	13.02	6,037	2,140	Jefferson	OR
97361	20.79	13,280	4,924	Monmouth	OR
97371	10.09	516	199	Rickreall	OR
97374	23.22	5,597	2,079	Scio	OR
97375	20.06	1,417	507	Scotts Mills	OR
97381	14.61	16,611	6,066	Silverton	OR
97383	17.00	10,379	3,912	Stayton	OR
97385	13.65	3,597	1,428	Sublimity	OR
97392	10.53	5,632	2,118	Turner	OR
Totals		444,743	165,146		

SCHEDULE 8

ASSIGNMENT OF TELEPHONE NUMBER(S)

This Assignment relates to:

Name of Franchisee: _____

Address of Store: _____

Telephone Number(s): (____) ____ - ____; (____) ____ - ____; (____) ____ - ____

For valuable consideration, the Franchisee identified above (“Franchisee”) assigns and transfers to BAM Franchising, Inc., (the “Company”) all of Franchisee’s rights and interests in each and all of the telephone numbers listed above (the “Numbers”).

Franchisee authorizes the Company to file this Assignment with the telephone company that issued the Numbers for the purposes of establishing the Company’s claim to and right to designate the user of the Numbers.

Franchisee irrevocably constitutes and appoints the Company as Franchisee’s agent and attorney-in-fact for the purposes of (i) signing and delivering any Transfer of Service Agreement or comparable document the telephone company requires to transfer the rights in the Numbers from Franchisee to the Company or its designee, and (ii) canceling a revoking any call-forwarding or similar instructions Franchisee has issued to the telephone company with respect to any of the Numbers, with full power to sign Franchisee’s name and otherwise to act in Franchisee’s name, place, and stead.

Franchisee agrees to reimburse the Company the full amount of any local service and long distance charges the telephone company requires that the Company pay to obtain the Numbers, together with interest as provided in the Franchise Agreement for the Store.

Franchisee represents and warrants to the Company that Franchisee obtained the Numbers in his or her own name, and that Franchisee is the person of record the telephone company will recognize as registered user or “owner” of the Numbers.

FRANCHISEE:

(Name of corporation, partnership, limited liability company or other legal entity)

By: _____

Print Name: _____

Title: _____

Date: _____

SCHEDULE 9**SBA ADDENDUM
TO FRANCHISE¹ AGREEMENT**

THIS ADDENDUM (“Addendum”) is made and entered into on _____, 20__, by and between _____ (“Franchisor”), located _____ at _____, and _____ (“Franchisee”), located at _____.

Franchisor and Franchisee entered into a Franchise Agreement on _____, 20__, (such Agreement, together with any amendments, the “Franchise Agreement”). Franchisee is applying for financing(s) from a lender in which funding is provided with the assistance of the U.S. Small Business Administration (SBA”). SBA requires the execution of this Addendum as a condition for obtaining SBA-assisted financing.

In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties agree that notwithstanding any other terms in the Franchise Agreement or any other document Franchisor requires Franchisee to sign:

CHANGE OF OWNERSHIP

- If Franchisee is proposing to transfer a partial interest in Franchisee and Franchisor has an option to purchase or a right of first refusal with respect to that partial interest, Franchisor may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of Franchisee. If the Franchisor’s consent is required for any transfer (full or partial), Franchisor will not unreasonably withhold such consent. In the event of any approved transfer of the franchise interest or any portion thereof, the transferor will not be liable for the actions of the transferee franchisee.

FORCED SALE OF ASSETS

- If Franchisor has the option to purchase the business personal assets upon default or termination of the Franchise Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Franchisee owns the real estate where the franchise location is operating, Franchisee will not be required to sell the real estate upon default or termination, but Franchisee may be required to lease the real estate for the remainder of the franchise term (excluding additional renewals) for fair market value.

COVENANTS

- If the Franchisee owns the real estate where the franchise location is operating, Franchisor has not and will not during the term of the Franchise Agreement record against the real estate any

¹ ¹While relationships established under license, jobber, dealer and similar agreements are not generally described as “franchise” relationships, if such relationships meet the Federal Trade Commission’s (FTC’s) definition of a franchise (see 16 CFR § 436), they are treated by SBA as franchise relationships for franchise affiliation determinations per 13 CFR § 121.301(f)(5).

restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental use restrictions. If any such restrictions are currently recorded against the Franchisee's real estate, they must be removed in order for the Franchisee to obtain SBA-assisted financing.

EMPLOYMENT

- Franchisor will not directly control (hire, fire or schedule) Franchisee's employees. For temporary personnel franchises, the temporary employees will be employed by the Franchisee not the Franchisor.

As to the referenced Franchise Agreement, this Addendum automatically terminates when SBA no longer has any interest in any SBA-assisted financing provide to the Franchisee.

Except as amended by this Addendum, the Franchise Agreement remain in full force and effect according to its terms.

Franchisor and Franchisee acknowledge that submission of false information to SBA, or the withholding of material information from SBA, can result in criminal prosecution under 18 U.S.C 1001 and other provisions, including liability for treble damages under the False Claims Act, 31 U.S.C. § § 3729-3733.

Authorized Representative of FRANCHISOR:

By: _____
Print Name: _____
Title: _____

Authorized Representative of FRANCHISEE:

By: _____
Print Name: _____
Title: _____

Note to Parties: This Addendum only address "affiliation" between the Franchisor and Franchisee. Additionally, the applicant Franchisee and the franchise system must meet all SBA eligibility requirement.

SCHEDULE 10

STATE SPECIFIC ADDENDA TO FRANCHISE AGREEMENT

The following modifications are to the BAM Franchising, Inc. Franchise Agreement, dated February 3, 2023 and Related Agreements.

The following states have statutes that may supersede the Franchise Agreement in your relationship with us, including the areas of termination and renewal of your franchise: ARKANSAS [Stat. Section 70-807], CALIFORNIA [Bus. & Prof. Code Sections 20000-20043], CONNECTICUT [Gen. Stat. Section 42-133e et seq.], DELAWARE [Code, Tit. 6, Ch. 25, Sections 2551-2556], HAWAII [Rev. Stat. Section 482E-1], ILLINOIS [Rev. Stat. 815 ILCS 705/19 and 705/20], INDIANA [Stat. Sections 23-2-2.7 and 23-2-2.5], IOWA [Code Sections 523H.1-523H.17], MARYLAND [Maryland Franchise Registration and Disclosure Law, MD. Code Ann., Bus. Reg. Sections 14-201 to 14-233 (2004 Repl. Vol.)], MICHIGAN [Stat. Section 19.854(27)], MINNESOTA [Stat. Section 80C.14], MISSISSIPPI [Code Section 75-24-51], MISSOURI [Stat. Section 407.400], NEBRASKA [Rev. Stat. Section 87-401], NEW JERSEY [Stat. Section 56.10-1], SOUTH DAKOTA [Codified Laws Section 37-5B-51], VIRGINIA [Code 13.1-517-574], WASHINGTON [Code Section 19.100 RCW], WISCONSIN [Stat. Section 135.03]. These and other states may have court decisions that may supersede the Franchise Agreement in your relationship with us including the areas of termination and renewal of your franchise.

CALIFORNIA

The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise be delivered together with the FDD.

Neither we, nor any person or franchise broker disclosed in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling these persons from membership in this association or exchange.

California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

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

The Franchise Agreement requires application of the laws of the State of Utah. This provision may not be enforceable under California law.

The following paragraph is added to ITEM 19 of the Franchise Disclosure Document:

Schedule 10
2022 BRICKS & MINIFIGS ®
FRANCHISE AGREEMENT

The earnings claims figures do not reflect the costs of sales, operating expenses or other costs or expenses that must be deducted from the gross revenue or gross sales figure to obtain your net income or net profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business. Franchisees or former franchisees listed in the Franchise Disclosure Document may be one source of this information.

Bricks & Minifigs Uniform Resource Locator (“URL”) address for locating its internet website is: <http://www.bricksandminifigs.com>. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at www.dbo.ca.gov.

THE CALIFORNIA SECTION OF THIS ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF CALIFORNIA OR WHO LOCATE THEIR FRANCHISES IN CALIFORNIA.

HAWAII

1. The following list reflects the status of our franchise registrations in the states which have franchise registration and/or disclosure laws:

This registration is currently effective in California and Washington.

There are no states which have refused, by order or otherwise, to register these franchises.

There are no states which have revoked or suspended the right to offer these franchises.

2. The Franchise Agreement has been amended as follows:

The Hawaii Franchise Investment Law provides rights to the franchisee concerning non-renewal, termination and transfer of the Franchise Agreement. If the Franchise Agreement, and more specifically, Sections 2(C), 13, and 14 contain a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.

Sections 2(C)(ii) and 13(C)(vii) of the Franchise Agreement require franchisee to sign a general release as a condition of renewal and transfer of the franchise; this release shall exclude claims arising under the Hawaii Franchise Investment Law.

Section 13A(i) of the Franchise Agreement, which terminates the Franchise Agreement upon the bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et seq.).

3. The Receipt Pages are amended to add the following:

THIS FRANCHISE WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND

CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS BEFORE THE SIGNING BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS BEFORE THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

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

THE HAWAII SECTION OF THIS ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF HAWAII OR WHO LOCATE THEIR FRANCHISES IN HAWAII.

ILLINOIS

THE FRANCHISE AGREEMENT STATES THAT YOU MUST MEET CERTAIN MINIMUM PERFORMANCE SALES REQUIREMENTS. IF YOU DO NOT MEET THESE REQUIREMENTS YOUR FRANCHISE AGREEMENT CAN BE TERMINATED BY BAM FRANCHISING, INC. This provision may be affected by Illinois Law, 815 ILCS §§ 705/4 and 705/41.

Item 17 of the Disclosure Document and Sections 2C and 14A of the Franchise Agreement are amended, if required by law, to state:

“The conditions under which your franchise can be terminated and your rights upon non-renewal may be affected by Illinois Law, 815 ILCS §§ 705/19 and 705/20.”

Item 17 of the Disclosure Document and Sections 17 and 18D and any other choice of law, venue and jurisdictions provisions in the Franchise Agreement are amended, if required by law, to include the following:

“Provisions regarding jurisdiction and venue and choice of law may be affected by Illinois law, 815 ILCS §§ 705/4 and 705/41, respectively.”

“Notwithstanding anything in this Agreement to the contrary, UNLESS GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.) OR OTHER FEDERAL LAW OR MATTERS ARISING UNDER SECTION 4 OF THE ILLINOIS FRANCHISE DISCLOSURE ACT WHICH SHALL BE GOVERNED THEREBY, THIS AGREEMENT, THE FRANCHISE AND THE

RELATIONSHIP BETWEEN COMPANY AND FRANCHISEE SHALL BE GOVERNED BY THE LAWS OF THE STATE OF UTAH, EXCEPT THAT (A) THE UTAH BUSINESS OPPORTUNITY DISCLOSURE ACT AND ANY OTHER STATE LAW RELATING TO (1) THE OFFER AND SALE OF FRANCHISES, (2) FRANCHISE RELATIONSHIPS OR (3) BUSINESS OPPORTUNITIES, SHALL NOT APPLY UNLESS THE APPLICABLE JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS PARAGRAPH; and (B) THE ENFORCEABILITY OF THOSE PROVISIONS OF THIS AGREEMENT WHICH RELATE TO RESTRICTIONS ON YOUR COMPETITIVE ACTIVITIES WILL BE GOVERNED BY THE LAWS OF THE STATE IN WHICH YOUR BUSINESS IS LOCATED.”

SPECIFICALLY, PROVISIONS REGARDING JURISDICTION AND VENUE AND CHOICE OF LAW MAY BE AFFECTED BY ILLINOIS LAW, 815 ILCS §§ 705/4 AND 705/41, RESPECTIVELY, AND RULE SECTION 200.608 OF THE RULES AND REGULATIONS PROMULGATED PURSUANT TO THE ILLINOIS FRANCHISE DISCLOSURE ACT.”

No provision in the Disclosure Document or Franchise Agreement shall be construed to mean that you may not rely on representations in the Bricks & Minifigs Disclosure Document that we provided to you in connection with the offer and purchase of your franchise.

Section 41 of the Illinois Franchise Disclosure Act states that “any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void.”

THE ILLINOIS SECTION OF THIS ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF ILLINOIS OR WHO LOCATE THEIR FRANCHISES IN ILLINOIS.

MARYLAND

The Disclosure Document is amended to state:

“Bricks & Minifigs has not registered the trademark, service mark/logo in the State of Maryland. You must register the name “Bricks & Minifigs” as a dba for the entity operating the franchise in the state where the franchise marketing area is located.”

Item 17 of the Disclosure Document and Sections 2(C)(ii) and 13(C)(vii) of the Franchise Agreement are amended to state:

“Any release signed in connection with the Franchise Agreement is not intended to, nor shall it act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.”

The Disclosure Document and Sections 17 and 18(D) of the Franchise Agreement are amended to state:

“Notwithstanding anything in this Agreement to the contrary, UNLESS GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.) OR OTHER FEDERAL LAW OR MATTERS ARISING UNDER THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW WHICH SHALL BE GOVERNED THEREBY, THIS AGREEMENT AND THE RELATIONSHIP BETWEEN YOU AND US WILL BE GOVERNED BY THE LAWS OF THE STATE OF UTAH, EXCEPT THAT THE UTAH BUSINESS OPPORTUNITY DISCLOSURE ACT AND ANY OTHER STATE LAW RELATING TO (1) THE OFFER AND SALE OF FRANCHISES, (2) FRANCHISE RELATIONSHIPS, OR (3) BUSINESS OPPORTUNITIES, WILL NOT APPLY UNLESS THE APPLICABLE JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS PARAGRAPH. YOU MAY BRING A LAWSUIT IN MARYLAND FOR CLAIMS ARISING UNDER THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW.”

“Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of your franchise.”

“Any limitation of claims provisions shall not act to reduce the three year statute of limitations afforded a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law.”

The Disclosure Document and Franchise Agreement are amended as follows:

“Any provision in the Franchise Agreement restricting jurisdiction or venue to a forum outside of Maryland or requiring the application of the laws of another state is void with respect to a claim arising under the Maryland Franchise Registration and Disclosure Law.”

“Any claims under the Maryland Franchise Registration and Disclosure law may be brought in the State of Maryland.”

“Pursuant to COMAR 02.02.0816L, the general release required as a condition of renewal, sale and/or assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.”

“Any provision in the Disclosure Document or Franchise Agreement or the agreements attached as appendices that requires you to disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Maryland Franchise Registration and Disclosure Law is not intended to nor will it act as a release, estoppel or

waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.”

“Your acknowledgement and representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.”

THE MARYLAND SECTION OF THIS ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MARYLAND OR WHO LOCATE THEIR FRANCHISES IN MARYLAND.

MICHIGAN

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

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (a) A prohibition on your right to join an association of franchisees.
- (b) A requirement that you assent to a release, assignment, novation, waiver, or estoppel which deprives you of rights and protections provided in this act. This shall not preclude you, after entering into a Franchise Agreement, from settling any and all claims.
- (c) A provision that permits us to terminate a franchise before the expiration of its term except for good cause. Good cause shall include your failure to comply with any lawful provision of the Franchise Agreement and to cure this failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure this failure.
- (d) A provision that permits us to refuse to renew your franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to us and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applied only if: (i) the term of the franchise is less than 5 years and (ii) you are prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or you do not receive at least 6 months advance notice of our intent not to renew the franchise.
- (e) A provision that permits us to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude you from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

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

- (i) The failure of the proposed transferee to meet our then-current reasonable qualifications or standards.
- (ii) The fact that the proposed transferee is a competitor of us or our subfranchisor.
- (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
- (iv) You or your proposed transferee's failure to pay any sums owing to us or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

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

(i) A provision which permits us to directly or indirectly convey, assign, or otherwise transfer our obligations to fulfill contractual obligations to you unless provision has been made for providing the required contractual services.

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

ESCROW REQUIREMENTS (IF ANY): _____

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
Consumer Protection Division
Attn: Franchise
670 Law Building
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

THE MICHIGAN SECTION OF THIS ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR WHO LOCATE THEIR FRANCHISES IN MICHIGAN.

MINNESOTA

If required by law, the Disclosure Document, Franchise Agreement, and Area Development Agreement are modified as follows:

Any release signed in connection with the Franchise Agreement shall not apply to any claims arising under Minnesota Statutes 1973 Supplement, Sections 80C.01 to 80C.22, providing that a franchisee cannot be required to assent to a release, assignment, or waiver that would relieve any person from liability imposed by such statutes; provided, however that this shall not bar the voluntary settlement of disputes.

With respect to the franchises governed by Minnesota law, we will comply with Minnesota Statutes Sec. 80C.14, subdivisions 3, 4 and 5 which require, except in certain specific cases, that we give you 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement. If Franchisor fails to give notice, the Franchise Agreement shall remain in effect from month to month until Franchisor has given the required notice.

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

Minnesota Rule 2860.4400J also prohibits us from asking you to consent to the Franchisor obtaining injunctive relief. We may merely seek injunctive relief. Also, it is up to a court to determine if a bond is required.

Provided that you are in compliance with the terms and conditions of the Franchise Agreement, we will comply with Minnesota Statutes Sec. 80C.12, Subd.1(g) which requires that the franchisor protect the franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

We will also comply with the requirements of Minnesota Statutes Sec. 80C.17, Subd. 5, which requires that any action commenced under Section 80C.17 be commenced within 3 years after the cause of action accrues.

THE MINNESOTA SECTION OF THIS ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MINNESOTA OR WHO LOCATE THEIR FRANCHISES IN MINNESOTA.

NEW YORK

The cover page of the Disclosure Document will be supplemented with the following, inserted at the bottom of the cover page:

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REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT THE STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE NEW YORK STATE DEPARTMENT OF LAW, 120 BROADWAY, NEW YORK, NEW YORK 10271-0332. INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT C OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION.

WE MAY, IF WE CHOOSE, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, WE CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON YOU TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS.

As a supplement to the information disclosed in this Disclosure Document, the following additional paragraphs are added:

1. Except as disclosed in Item 3 of the Disclosure Document, neither we, our predecessors, Affiliates nor any person identified in Item 2 of this Disclosure Document:

A. Has any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) pending against it or him alleging a violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations.

B. Has been convicted of a felony or pleaded nolo contendere to a felony charge or within the ten year period immediately preceding the application for registration, been convicted of a misdemeanor or pleaded nolo contendere to a misdemeanor charge or been held liable in a civil action by final judgment or been the subject of a material complaint or other legal proceeding if such misdemeanor conviction or charge or civil action, complaint or other legal proceeding involved violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations.

C. Is subject to any currently effective injunctive or restrictive order or decree relating to franchises or under any federal, state, or Canadian franchise, securities, antitrust, trade regulation, trade practice law, or any national securities association or national securities exchange (as defined in the Securities and Exchange Act of 1934) suspending or expelling this person from membership in this association or exchange as a result of a concluded or pending action or proceeding brought by a public agency.

2. Except as disclosed in Item 4 of the Disclosure Document, during the ten year period immediately preceding the date of this Disclosure Document, neither we, our predecessors, Affiliates or any person identified in Item 2 of this Disclosure Document has been adjudged bankrupt or reorganized

due to insolvency or been a principal officer of any company or a general partner in any partnership at or within 1 year of the time that this company or partnership was adjudged bankrupt or reorganized due to insolvency or is otherwise subject to any pending bankruptcy or reorganization proceeding.

3. You will not be required to indemnify us for any claims arising out of a breach of the Franchise Agreement by us or other civil wrongs committed by us.

4. We will not assign any of our rights under the Franchise Agreement except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under the Franchise Agreement.

5. Any release signed in connection with the Franchise Agreement is subject to the proviso that all rights enjoyed by you and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of Sections 687.4 and 687.5 of the General Business Law of New York State be satisfied.

6. You may terminate the Franchise Agreement and any ancillary agreements upon any other grounds available by law.

7. The summary in Items 17.w. Choice of Law, is amended to state the following:

Utah law applies unless governed by applicable federal law. The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon Franchisee by the General Business Law of the State of New York.

The following modifications are made to the Franchise Agreement:

1. The following sentence is added to the end of Section 4(E): “Franchisor will make no changes to the Operations Manual that would impose an unreasonable economic burden on Franchisee or unreasonably increase Franchisee’s obligations.”

2. Section 13A is amended by adding the following to the end of that Section: “However, Franchisor will make no transfer or assignment except to a transferee or an assignee who, in our good faith judgment, is willing and able to assume Franchisor’s obligations under this Agreement.”

3. The following is added at the end of Sections 2(C)(ii) and 13(C)(vii): “; provided, however, that any release shall not apply to any claims arising under the provisions of Article 33 of the General Business Law of the State of New York.”

4. The following is added to the end of the first sentence of Section 16(B): “Notwithstanding the foregoing, Franchisee will not be required to indemnify Franchisor for any claims arising out of a breach of the Agreement by us or other civil wrongs of us.”

5. The following is added to the end of Section 18(E): “Franchisor will seek no issuance of injunctive relief which would violate New York General Business Law Section 687.5.

6. The following sentence is added to the end of Sections 17 and 18(D) of the Franchise Agreement, and to and any other choice of law provisions appearing in any related documents attached as exhibits or appendices to the Franchise Agreement that are deemed to be in violation of New York law:

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“The choice of law provisions in this Section should not be considered a waiver of any right conferred upon Franchisor or upon the Franchisee by Article 33 of the General Business Law of the State of New York.”

THE NEW YORK SECTION OF THIS ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF NEW YORK OR WHO LOCATE THEIR FRANCHISES IN NEW YORK.

NORTH DAKOTA

Sections of the Disclosure Document and Franchise Agreement providing for resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly if required by law.

Sections of the Disclosure Document and Franchise Agreement relating to choice of law, may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly if required by law.

Sections of the Disclosure Document and Franchise Agreement requiring you to sign a general release upon renewal of the Franchise Agreement may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly if required by law.

Sections of the Disclosure Document and Franchise Agreement stipulating that you shall pay all costs and expenses incurred by us in enforcing the Franchise Agreement may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly if required by law.

Sections of the Franchise Agreement requiring you to consent to a waiver of trial by jury may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended if required by law.

Sections of the Franchise Agreement requiring you to consent to a waiver of exemplary and punitive damages may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended if required by law.

THE NORTH DAKOTA SECTION OF THIS ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF NORTH DAKOTA OR WHO LOCATE THEIR FRANCHISES IN NORTH DAKOTA.

RHODE ISLAND

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.” The Disclosure Document and Franchise Agreement are amended accordingly if required by law.

THE RHODE ISLAND SECTION OF THIS ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF RHODE ISLAND OR WHO LOCATE THEIR FRANCHISES IN RHODE ISLAND.

VIRGINIA

Pursuant to § 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute “reasonable cause”, as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

THE VIRGINIA SECTION OF THIS ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF VIRGINIA OR WHO LOCATE THEIR FRANCHISES IN VIRGINIA.

WASHINGTON

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

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

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

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

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

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee’s earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor’s earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted

annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

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

Franchisor will defer collection of the initial franchise fee until it has fulfilled its initial pre-opening obligations to the franchisee and the franchise is open for business. In the event that franchisee signs a Multiple Franchise Purchase Addendum, the deferral of initial franchise fees will be pro-rated, such that the franchisee will pay the franchisor the fee proportionally upon the opening of each unit franchise under the Multiple Franchise Purchase Addendum.

In addition to the rights and responsibilities enumerated in the Disclosure Document and Franchise Agreement concerning termination and non-renewal, Washington State residents have certain rights under the Washington Franchise Investment Protection Act.

THE WASHINGTON SECTION OF THIS ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF WASHINGTON OR WHO LOCATE THEIR FRANCHISES IN WASHINGTON.

WISCONSIN

Item 17 of the Disclosure Document is amended to add the following:

The Wisconsin Fair Dealership Law Title XIV-A Ch. 135, Section 135.01-135.07 may affect the termination provision of the Franchise Agreement.

THE WISCONSIN SECTION OF THIS ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF WISCONSIN OR WHO LOCATE THEIR FRANCHISES IN WISCONSIN.

(Signatures on following page)

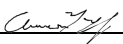
ACKNOWLEDGMENT:

It is agreed that the applicable foregoing state law addendum, if any, supersedes any inconsistent portion of the Franchise Agreement dated the 3rd day of February, 2023, and of the Franchise Disclosure Document. Except in the State of Maryland, this State Addenda applies only if required by applicable state law.

DATED this 3rd day of February, 2023.

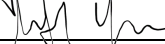
FRANCHISOR:

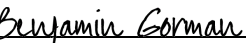
BAM FRANCHISING, INC.

DocuSigned by:
By: 
29ED4BCF2266485...
Title: President

FRANCHISEE

BAMF Salem 1, LLC

DocuSigned by:
By: 
Title: Owner
C1E0945407...

DocuSigned by:
By: 
Title: Co-Owner
C1E0945407...

By: _____
Title: _____

By: _____
Title: _____

(MUST BE SIGNED BY ALL OWNERS AND MANAGERS OF AN ENTITY FRANCHISEE)