

FRANCHISE AGREEMENT

By and Between

DIRTY DOUGH FRANCHISING LLC

and

(Franchisee)

© 2023, The Franchise & Business Law Group, LLC
This Agreement and the Schedules and Exhibits attached hereto are subject to the copyright of The Franchise & Business Law Group, LLC

DIRTY DOUGH® COOKIES FRANCHISE AGREEMENT

TABLE OF CONTENTS

ARTICLE		PAGE
1	Award of Franchise	3
II	Terms and Successor Franchise	5
III	Intellectual Property	6
IV	Construction, Commencing Operations and Lease	10
V	Fees and Reports	
VI	Franchisee's Operational Covenants	16
VII	Franchisor's Operational Assitance	25
VIII	Purchase of Products and Equipment	26
IX	Manuals	27
Χ	Marketing	27
XI	Breach and Termination	29
XII	Termination and Expiration	32
XIII	Purchase Option	35
XIV	Purchase Option	36
XV	Relationship of the Parties	40
XVI	Covenant Not to Compete	41
XVII	Dispute Resolution	43
XVIII	Notices	45
XIX	Construction and Jurisdiction	46
XX	Miscellaneous	47
XXI	Definitions	49

Exhibits

LXIIIDIL3	
A-1	Territory
A-2	Company Representations and Warranties
A-3	Fee Chart
A-4	Brand Protection Agreement for Principals
A-5	Management Employee Brand Protection Agreement
A-6	Landlord's Consent to Assignment and Lease Rider
A-7	Authorization Agreement for Direct Payments (ACH Debits)
A-8	Guaranty and Assumption of Obligations
A-9	Digital and Social Media Authorization for Assignment
A-10	Mobile Trailer Unit Addendum
A-11	State Specific Addenda
	SOOFF



DIRTY DOUGH FRANCHISING LLC FRANCHISE AGREEMENT

THIS FRA	NCHISE AGREE	EMENT ("Agreer	nent") is ent	ered into and	d made eff	ective a	s of
	by and	d between Dirt	Dough Fra	NCHISING LLC,	a Utah lim	ited liab	ility
company ("Fran	ichisor" or "We	," "Us" or "Our'	' as further	defined in A	rticle XXI	below) a	and
		("Franc	chisee" or "Y	ou" or "Your"	as further	defined	ni b
Article XXI below	/).	·					

WHEREAS, We have developed a system for the operation of a cookie and other dessert business known as Dirty Dough® Cookies, utilizing the Marks and System, and offering to the public cookies and other desserts, and other related products and services ("Franchise Business") or "Dirty Dough® Cookies Business"); and

WHEREAS, You are desirous of entering into an agreement with Us so as to be able to obtain the rights to operate a Franchise Business using the System.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, recitals, obligations, terms and conditions herein contained, and the acts to be performed by the respective parties hereto, the parties hereto agree as follows:

ARTICLE I AWARD OF FRANCHISE

- Award of Franchise. We hereby grant to You, and You accept, subject to the terms, conditions and obligations herein, the non-exclusive, non-sublicensable personal right to establish and conduct a Franchise Business as a Dirty Dough® Cookies franchisee and the right to use the System and the Marks only as specifically set forth herein. This right is granted for use only at a single location approved by Us ("Premises") within Your Territory listed on Exhibit "A-1" ("Territory"). You must operate Your Franchise Business in strict compliance with the terms and conditions of this Franchise Agreement and the Manuals. If You purchase a mobile trailer unit franchise, You must agree to and sign the terms of the Mobile Trailer Unit Addendum (see Exhibit "A-10"). You must operate Your Franchise Business in strict compliance with the terms and conditions of this Franchise Agreement and the Manuals.
- 1.1.1 <u>Territory Rights</u>. Except as set forth in this Agreement, during the term of this Agreement, We will not establish or operate a traditional company-owned outlet or grant to any person or entity a franchise within the Territory using the same or similar System as that licensed by this Agreement.
- 1.1.2 <u>Territory Adjustment</u>. We have the right to adjust the boundaries of Your Territory if the population in Your Territory increases by 50,000 or more as measured from the date of this Agreement. We also have the right to adjust the boundaries of Your Territory based on inadvertent error in the creation of Your Territory, or in an effort to more accurately reflect the target population after Your Premises have been selected and approved, or for other reasons that We may specify from time to time in the Manuals.
- 1.1.3 <u>Annual Minimum Revenue</u>. Your rights under this Agreement are dependent upon Your achievement of an annual minimum revenue volume. Specifically, after Your Franchise Business has been open for one year, You are required to achieve minimum annual revenue quotas as set forth in Exhibit "A-3" of this Agreement. If You do not achieve the minimum revenue in Your Territory, You will be given a notice of default and a set period to cure



by being on pace to hit the minimum Gross Sales during this time. If You do not cure within the cure period, We have the right to terminate or sell Your franchise. We also have the right to allow You to continue to operate Your Franchise Business under the terms of this Agreement while We sell Your franchise. If We sell Your franchise, We are entitled to a fee equal to 10% of the sales price to compensate Us for time and expenses to sell Your franchise. You or the buyer are required to pay the required transfer fee and training fee to train the new franchisee. If We have not sold or terminated Your franchise within 12 months of Us giving You notice of Your second consecutive default, You may cure the default by being on pace to achieve the minimum Gross Sales by the end of that 12-month period.

- 1.1.4 <u>Territory Adjustment</u>. In Our sole discretion and which approval can be withheld for any reason whatsoever, You may have the right to adjust the boundaries of Your Territory. You must request moving Your Territory in writing and give us at least 180 days' notice of Your desire to move Your Territory boundaries. In Our sole discretion, You may be required to attend an initial training program if You seek to adjust Your Territory. You must pay Us a Territory Adjustment Fee to cover Our costs to review Your request. See Exhibit "A-3" In addition, each of the terms for relocation of Your Premises also apply as more fully set forth below in Section 4.5, Including the required relocation fee.
- 1.1.5 <u>Catering.</u> You have the right to provide catering services and home delivery within Your Territory. However, You must receive Our prior written approval to provide any catering services or home delivery outside of Your Territory, and unless otherwise clearly indicated, such approval will only apply to a specific event, and You must seek Our prior written approval each time You desire to cater or deliver outside of Your Territory. No course of conduct of providing catering services or home delivery outside of Your Territory will be construed as expanding Your Territory.
- 1.2 <u>Scope of Franchise Operations</u>. You must at all times comply with Your obligations hereunder and must continuously use Your best efforts to promote and operate Your Franchise Business.
- 1.3 Our Reservation of Richts. All rights not specifically granted to You in this Agreement are reserved to Us. You expressly acknowledge and agree that this license is non-exclusive, and that We retain, among other rights, the right, in Our sole discretion: 1) to establish and license others to establish and operate Dirty Dough® Cookies businesses outside the Your Territory; 2) to operate and license others to operate businesses anywhere that do not operate under the Dirty Dough® Cookies brand name; and 3) to use the Marks in connection with the manufacture and sale of products at wholesale and at retail.
- 1.3.1 <u>Non-Traditional Outlets</u>. We reserve the right to open or sell franchises for outlets located in non-traditional locations within Your Territory. These outlets may Include locations at convention centers, sporting arenas, airports, and other similar locations.
- Restriction of Territory Rights. The rights and privileges granted to You under this Agreement are personal in nature. This Agreement is granted solely for the operation of a Franchise Business at the Premises and do not extend to the operation of a Franchise Business or any other use of the System from any other location within or outside Your Territory, or in any other manner, except as may be allowed by this Agreement and Our Manuals. You may only service customers at the Premises. You cannot operate any other business from the Premises other than the Franchise Business. You are not permitted to target Market or sell to customers in another franchisee's territory. Nonetheless, You may market and sell products and services outside of Your Territory if such territory has not been granted to another franchisee or is not a



company owned territory. However, if You develop customers in an area that is later granted to another franchisee, those customers and orders will be transferred to that franchisee.

- 1.5 National Accounts. We expressly reserve the right to sell, market, and distribute the Dirty Dough® Cookies products and related products to all National Accounts, both within and without Your Territory. We also reserve the right to allow You to manage a National Account in Your Territory. A "National Account" is defined as a company with multiple units or outlets located in more than one geographical area or territory. We will designate if and how franchisees will sell or service National Accounts.
- 1.6 <u>Rights to Use Channels of Distribution</u>. We and Our affiliates expressly reserve the right Market in Your Territory and elsewhere using Marketing strategies and distribution channels Including, websites, the Internet, Social Media, smartphone apps, direct marketing, direct sales, retail locations, and wholesale locations. We do not pay You for soliciting or accepting orders for any products or services We make inside Your Territory.

ARTICLE II TERM AND SUCCESSOR FRANCHISE

- 2.1 Term. This Agreement will be effective when executed by both You and Us. The franchise term will be for a period of 10 years unless terminated earlier pursuant to Article XI herein. However, at the time You sign a lease for the Premises, the term of this Agreement will be extended to coincide with the expiration date for Your Lease, so long as such Lease is approximately 60 months and does not otherwise extend the term of this Agreement more than 12 months unless otherwise agreed in writing by Us. If We are required by law or otherwise to give You notice before the Termination of this Agreement and fail to do so, this Agreement will remain in effect from month-to-month until We have given the required notice.
- 2.2 Successor Franchise. You have the right to be awarded a successor franchise ("Successor Franchise") upon the expiration of the original term for an additional term of 10 years if all the following conditions are met at the time You elect to renew: 1) You are not in default of this Agreement; 2) You have complied with and timely met material terms and conditions of this Agreement throughout the initial term; 3) You have complied with Our material operating and quality standards and procedures and any required modification to such standards and procedures; 4) You have timely paid all monetary obligations owed to Us during the term of this Agreement; 5) You are not subject to any pending litigation or governmental proceeding which could have a material adverse effect upon You or Your Franchise Business; and 6) You give Us written notice of Your intent to renew at least six months and not more than 12 months prior to the expiration date of this Agreement. Your failure to give such notice will constitute an election not to enter into a Successor Franchise Agreement (defined below). If You fail to enter into a Successor Franchise Agreement for any reason but continue to operate Your Franchise Business, at Our election, You will be deemed to have renewed on a month-to-month basis, requiring You to abide by Our then-current Fees. In addition to Our rights to terminate as set forth in Article XI, Your month-to-month Franchise Business may be terminated by Us upon 30 days' prior written notice to You for any reason whatsoever.
- 2.2.1 <u>Commencement Date for Successor Franchise Term.</u> Unless another date is specified in a Successor Franchise Agreement, which date will supersede, said Successor Franchise term, Including, any month-to-month term, will commence on the day following the expiration date of the initial or applicable Successor Franchise term.



- 2.2.2 <u>Notice of Non-Approval</u>. Upon receiving Your election to enter into a Successor Franchise, We will have 45 days to provide written notice in the event You do not qualify for a Successor Franchise or as otherwise required by law.
- Successor Franchise Agreement. If approved as a Successor Franchise, You must execute Our then-current form of Our successor franchise agreement ("Successor Franchise Agreement"). The Successor Franchise Agreement Includes personal guarantees and a general release of all claims against Us arising from this Agreement, the relationship created herein, and Your Franchise Business. If You fail to execute such a release, the signing of the Successor Franchise Agreement will be the equivalent of the granting of such a release. The Successor Franchise Agreement will supersede in all respects the terms and conditions of this Agreement, and You will be obligated to pay royalties and other continuing Fees at the thenexisting levels required to be paid by new franchisees. You must sign and return to Us the Successor Franchise Agreement within 90 days prior to the expiration of this Agreement, or You will, at Our election, be deemed to have withdrawn Your request to enter into a Successor Franchise Agreement, and this Agreement will Terminate at the expiration of the term then in effect. It is acknowledged by You that You will be bound by the form of the Successor Franchise Agreement in effect at the time which may contain Fees and charges, territorial, and other changes in material provisions different from those contained in this Agreement, Including terms affecting payments to Us or Our affiliates.
- 2.2.4 <u>Successor Franchise Fee.</u> If approved for a Successor Franchise, You shall pay to Us a non-refundable Successor Franchise Fee set forth in Exhibit "A-3," payable in full at the time of execution of the Successor Franchise Agreement.
- 2.2.5 <u>Upgrading Your Franchise Business</u>. As a condition to Our approval of the Successor Franchise Agreement, at Your expense, You shall reasonably renovate, remodel, redecorate, redesign, refixture, upgrade, and/or otherwise refurbish Your Franchise Business and Premises to the extent and in the manner specified by Us to conform with and bring it up to the standards and image of a new Dirty Dough® Cookies business being opened at the time the Successor Franchise Agreement takes effect. Unless otherwise waived by Us, such improvements must be made within six months of signing the Successor Franchise Agreement. You will make all necessary arrangements to continue the occupancy of Your existing Premises through the Successor Franchise term(s) unless We give written permission to relocate Your Premises.
- 2.2.6 <u>Successor Franchise Training</u>. As a condition to Us approving You entering into a Successor Franchise Agreement, Your Operating Principal and/or other key personnel may also be required to attend and successfully complete trainings, certifications and other programs at such times and locations as We specify. You may be required to cover the expense of travel, meals, lodging, and other related costs for such training and certifications.

ARTICLE III INTELLECTUAL PROPERTY

3.1 Intellectual Property and Confidential Information. You acknowledge that: 1) We have the sole rights in and to the Intellectual Property and Confidential Information; 2) Your right to use the Intellectual Property and Confidential Information, including trade secrets, is granted by Us solely pursuant to the terms of this Agreement; and 3) as between You and Us, We have the sole right to license and control Confidential Information and Intellectual Property. Our Intellectual Property and Confidential Information provided to You by or through Us will remain Our sole property.



- 3.2 <u>Use of Confidential Information and Intellectual Property.</u> You have a non-exclusive right to use the Confidential Information and Intellectual Property and only in connection with Your Franchise Business and in accordance with Our Manuals and this Agreement. You understand and agree that the use of Our Confidential Information, Intellectual Property, and goodwill are all temporary benefits and expire with the Termination of this Agreement. You expressly covenant that during the term of this Agreement and after the Termination thereof, not to: 1) directly or indirectly contest or aid in contesting the validity of Our ownership of, or rights in, the Confidential Information or Intellectual Property; 2) in any manner interfere with or attempt to prohibit Our use of the Confidential Information or Intellectual Property and derivatives thereof or any other name, trademark or service mark that is or becomes a part of Our System; or 3) interfere with the use of Our Confidential Information or Intellectual Property by Our other franchisees or licensees at any time.
- 3.2.1 <u>Trade Secret Information:</u> Trade Secret Information is also part of Confidential Information and includes recipes from Dirty Dough® Cookies, whether written or oral, for use in the foods Dirty Dough® Cookies serves to customers and clients and the public as a whole, not being generally known and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use and is the subject of reasonable efforts by the Dirty Dough® Cookies and its affiliates to maintain its secrecy.
- 3.2.2 Non-Disclosure of Trade Secret Information. You and Your employees, ownership, agents and affiliates, shall not disclose any Trade Secret Information to any individual except for those needed to produce any products authorized to provide from Us. Specifically, We agree that only Your designated on-site manager shall be allowed to review the Trade Secret Information. Any other individuals that need to review the Trade Secret Information not identified in this Agreement needs written consent from Dirty Dough® Cookies and the basis as to why it needs to review the Trade Secret Information as well as the name and title of the individual. Any written Trade Secret Information given to the individuals identified in this section shall be sent via an encrypted file that shall be password protected and only the individuals identified in this section shall have access to or know the password. The individuals identified in this section shall ensure no other individuals of Recipient shall know or have access to the password. The individuals identified in this section shall ensure that upon receipt of any electronic Trade Secret Information, that it remains in an encrypted password protected folder, one a separate password, protected USB drive, that has no other information saved on it, without divulging the password to any individuals not identified in this section. The Trade Secret Information may not be saved on any server, computer hard drive or mobile phone of Recipient or its employees and affiliates and can only be accessed through the USB drive. If the Trade Secret Information is sent via email, the Trade Secret Information must saved on the USB drive and must be encrypted with a password and then the email must be immediately deleted. If any of the named individuals in this section receives a hard copy of the Trade Secret Information, or on a USB drive, that information shall be place in a folder, or box, that is clearly marked in red on the front of the folder or box: CLASSIFIED FOR REVIEW OF On-Site Manager only. The individuals in this section shall keep any hard copy of the Trade Secret Information physically locked and secured where no other individual not named in this section shall have access to it and access to the means to unlocking the secured space. If any of the named individuals writes down the Trade Secret Information, if Senor Pollo gives the Trade Secret Information to the named individuals orally, or if it makes a copy from a hard copy or electronic copy, it must first have the written permission of Dirty Dough® Cookies to write down the Trade Secret Information. Any information an individual writes down also must be kept secret under the same procedures identified in this section for hard copies and electronic copies of the Trade Secret Information. Once the individual no longer works as an on-site manager, it must destroy only disclose the Trade Secret Information and how to access it to the new on-site manager after written permission is given from Us to do so. If this Agreement is Terminated, You

must destroy all Trade Secret Information within 24 hours of Termination, or if We direct you to destroy any Trade Secret Information during this Agreement.

- 3.3 <u>Our Marks</u>. You acknowledge that as between You and Us, the Marks and derivatives thereof are valid trade names, trademarks and service marks owned by Us or licensed to Us.
- Jee of Marks and System. You have the non-exclusive right to use Our Marks and the System as directed by Us. You shall only use Our Marks licensed by this Agreement and only with the letters "TM," "SM" or "®," as appropriate, approved and as instructed by Us, whenever and wherever such Marks are used. You shall not use Your own name or any other name service or product in connection with any of Our Marks without Our prior written consent. You are prohibited from using any Mark in connection with the performance or sale of any unauthorized service or product. You cannot use the Marks or System in any manner, or otherwise take any action (or inaction) that would or may cause the Marks or the System to be subject to any ill repute or negative publicity. You cannot use the Marks on any intercompany documents to identify Your Franchise Business or entity (Including in or on employee manuals handbooks, emails, letterhead) or on business checks or bank accounts. All communications with Your employees must be under Your entity name.
- 3.4.1 <u>Cooperation</u>. You shall execute any and all additional papers, documents and assurances in connection with the Marks as reasonably requested by Us and agree to cooperate fully with Us and any of Our other franchisees or licensees in securing all necessary and required consents of any state agency or legal authority for the use of the Marks or any other name, trademark, service mark, logo or slogan that is now or later becomes a part of Our System. You shall immediately notify Us as soon as You become aware of any infringement or apparent or alleged infringement of the Marks, Our Confidential Information, or any part of Our Intellectual Property. You may not contest, directly or indirectly, our right and interest in Our Intellectual property that are part of Our System.
 - 3.4.2 <u>Use in Marketing.</u> The use of the Marks in Marketing is set forth in Article X.
- 3.4.3 <u>Modification of Marks</u>. We have the right, in Our reasonable discretion, to require You to change, modify or discontinue the Marks or to use one or more additional trademarks, service marks, logo types and/or other symbols in connection with the operation of the Franchise Business. In that event, You must bear the cost of using such additional or modified Marks or items in accordance with Our reasonable directives.
- 3.4.4 <u>No Registration</u>. You cannot make an application for registration, domain name, or other protection of any of the Marks, or any other trademarks, service marks, symbols, names, slogans, logos, trade names or any items that are similar or derivatives therefrom in any jurisdiction without Our prior written consent and then only upon the terms and conditions specified by Us in connection therewith.
- 3.4.5 <u>Use Indemnification</u>. We will indemnify You against and to reimburse You for all direct, but not consequential (including, but not limited to, loss of revenue and/or profits,) damages for which You are held liable in any proceedings arising out of the use of any trademark pursuant to and in compliance with this Agreement, and for all costs reasonably incurred by You in the defense of any claim brought against You or in any proceeding in which You are named as a party, provided that You have timely notified us of any claim or proceeding and have otherwise complied with this Agreement.



- 3.5 <u>Copyrights</u>. All rights, title and interest in and to Copyright Materials are Our sole and exclusive property and cannot be reproduced or replicated either during or after this Agreement. You have no right to make any direct or indirect use of the Copyrighted Materials except as allowed under this Agreement. Notwithstanding the above, as of the date of this Agreement, an unrelated third party claims copyright ownership in our current Dirty Dough logo. You may be required to change the logo (Including on signage and Marketing) and stop all use of the current logo at Our request.
- or administrative action concerning the Confidential Information or Intellectual Property. You must promptly notify Us in writing of any unauthorized use of Our Confidential Information and Intellectual Property, or of any claim, demand or suit by any person, corporation or other entity based upon or in connection with any of Our Confidential Information or Intellectual Property licensed hereunder in which We have an interest. In the event We undertake the defense or prosecution of any litigation pertaining to any Confidential Information or Intellectual Property, You must execute any and all documents and do such acts and things as may, in the opinion of Our counsel, be necessary to carry out such defense or prosecution. If We fail to undertake action within a reasonable time after receipt of Your notice regarding any such claim, demand or suit, then You may, with Our prior written consent (but You will not have the obligation), undertake the defense of any such proceeding and will do so at Your sole cost and in strict coordination and oversight with Us. You may not do any act or make any claim which is contrary to or in conflict with Our rights in Our Confidential Information or Intellectual Property.
- 3.7 <u>Goodwill</u>. You acknowledge that valuable goodwill is attached to the Marks and System, and that We have invested and continue to invest time and capital into promoting the System and that such promotion creates goodwill and customer association which benefits Us, You, and all other franchisees in the System. Furthermore, even goodwill associated with the Marks and System that might be deemed to have arisen through Your activities is Our sole property and inures directly and exclusively to Our benefit, except as otherwise provided herein or by applicable law.
- 3.7.1 <u>Customer Data</u>. All Customer Data is Our sole property and inures directly and exclusively to Our benefit. You have a royalty-free, non-exclusive right to use the Customer Data during the term of this Agreement. You must gather, upload, and/or store all Customer Data as required by Us. To the extent that We do not otherwise have access. You must provide Us copies of all Customer Data upon request. You must abide by all applicable laws pertaining to the privacy of consumer, employee and transaction information, and do not contact laws. If We allow You to use the Customer Data to transmit advertisements to customers and potential customers, You are solely responsible to comply with the laws pertaining to calling or texting customers, the sending of emails, or any other transmission of information, Including any anti-spam legislation.
- 3.8 <u>Fictitious Business Name</u>. You must not use Our Marks or any other name similar thereto in the name of any partnership or entity owned or formed by You, whether to own or operate Your Franchise Business or any other business activities. However, within 30 days of signing this Agreement, You must file for a certificate of assumed or fictitious name or a "doing business as" name ("DBA") using our Marks as designated by Us, in the manner required by state law, so as to notify the public that You are operating Your Franchise Business as an independent business pursuant to this Agreement and You must Include Your assigned franchise designation in such filing. You must provide Us with a copy of Your DBA registration and/or certificate upon receipt of the same, and upon Our request from time-to-time.



- 3.9 <u>Maintaining Secrecy</u>. You shall: 1) fully and strictly adhere to all security procedures prescribed by Us in Our sole discretion for maintaining the secrecy of Our Confidential Information; 2) disclose such information to Your employees only to the extent necessary to Market Our products and services and for the operation of the Franchise Business in accordance with this Agreement; 3) not use any such information in any other business or in any manner not specifically authorized or approved in writing by Us; and 4) exercise the highest degree of diligence and make every effort to maintain the absolute confidentiality of all such information during and after the term of this Agreement.
- 3.10 Changes to the System. You shall fully disclose all Innovations to Us, without disclosing the Innovation to others and shall obtain Our written approval before using or implementing an Innovation. All Innovations are owned by Us and shall be considered a "workmade-for-hire." If all or part of any Innovation that You create is for any reason deemed not to be a work-made-for-hire, then You hereby irrevocably transfer and assign to Us or Our affiliate, all right, title, interest and ownership, Including license rights, in the Innovation, and You agree to execute any document necessary to effectuate the transfer and assignment. To the extent You have any moral or similar rights in an Innovation or derivative thereof, You expressly waive any of those rights or claims you may have to that Innovation. Any Innovation may be used by Us and all other franchisees without any obligation to compensate You. We reserve the right to make an application for and own Intellectual Property relating to any Innovation, and You shall cooperate with Us to secure those rights. We may also consider an Innovation as part of Our trade secret. At Our discretion, We may authorize You to utilize Innovations that may be developed by You, Us, or other franchisees. There may be fees imposed related to the Innovations and You will be required to promptly pay all such fees on the timeline required by Us.
- 3.11 <u>Association with Causes or Co-Branding</u>. You cannot, without first receiving Our written approval, in the name of the Franchise Business or in any manner associated with the Marks: (i) donate money, products, or services to any charitable, political, social, religious, or other for-profit or non-profit organization, cause or position, or (ii) act in support of or against any such organization, cause or position. You cannot "co-brand" or use the Marks or Your Franchise Business to associate any other business activity in a manner which is likely to cause the public to perceive the activity to be related to or sponsored by the brand or System.

ARTICLE IV CONSTRUCTION, COMMENCING OPERATIONS AND LEASE

- 4.1 <u>Location of Premises</u>. You must select a site within the designated search area listed on Exhibit "A-1" ("Search Area"). You must have a site selected and approved by Us within 60 days of signing this Agreement. Although We must approve of Your site, We do not warrant or guarantee the success of the site. You must use a local broker in Your site selection, and if You are in Utah or Idaho, You must use Our designated broker. You must not commit to purchase or lease any real property or commence construction unless and until You have Our written approval of the proposed location. Your Premises must strictly comply with local zoning, state and federal laws, rules, and regulations.
- 4.1.1 <u>Location Approval</u>. We must approve Your proposed site. However, it is Your responsibility, at Your sole cost and expense, to select the site within the Search Area. You are required to pay Us a site approval fee (see Exhibit "A-3") payable upon submission of the first site approval request. This is a one-time fee to approve Your initial Franchise Business location and not a per-site review fee. You must provide Us with the street address of the proposed site and such other information as We request, Including pictures or existing brochures of the proposed site. **We do not prepare demographic studies or otherwise evaluate the need for Our products**



and services in Your Territory, nor do We provide You with a site checklist or other similar information, and We do not warrant or guarantee the success of the site. Site approval or disapproval should be completed by Us within 10 business days after You have notified Us that You have selected a proposed site.

- 4.2 <u>Lease</u>. A Lease must be in place within 30 days from the date of a site being approved. We do not assist You in negotiating the Lease. We have the right to review all leases relating to Your Franchise Business prior to execution. You must also deliver an executed copy of the Lease to Us within 15 calendar days after execution.
- 4.2.1 Assignment of Lease. You hereby assign and transfer all rights and interest in and to the Lease to Us to be effective upon Our election when this Agreement Terminates. In such an event, We will have the right, but not the obligation, to accept the assignment and assume the Lease or execute a lease with You as provided below. We also have the right to assign the Lease to another franchisee or an affiliate of Ours. If You own the Premises, You hereby agree to lease the facilities to Us upon Termination of this Agreement at a rate not to exceed its fair market rental value, and on commercially reasonable terms and conditions. Your Lease must Include a provision allowing the assignment of the Lease to Us or Our nominee, at Our option, in the event this Agreement is Terminated for any reason. You and Your Landlord are also required to complete and sign the landlord's consent and lease rider attached as Exhibit "A-6" and Schedule "A-6.1" respectively.
- 4.2.2 <u>Assumption of Lease</u>. We will have 15 days from the date of Termination of this Agreement, to exercise Our right and option to take and assume the Lease for the Premises. If the option is exercised, We will notify You and the Landlord of Our exercise within the option period. In such event, You agree to bring all obligations under the Lease current as of the date of possession by Us as well as to indemnify Us against all losses and costs arising by virtue of, attributable to, or in any way related to the period of Your possession of the Premises. All taxes, utilities and rentals will be prorated between Us and You as of the date of Our possession. We will not be obligated to pay Your arrearages. After the date of possession, We agree to indemnify You against all Lease obligations solely attributable to the period of Our possession of the Premises. You agree that no compensation for the Lease is payable by Us to You unless the Premises are owned by You. The Lease will be transferred to Us without the payment of any kind to You by Us for the Lease other than the indemnification provided above.
- 4.3 <u>Construction</u> Any construction of the Premises must be done in strict accordance with the specifications approved by Us, but it is Your responsibility to verify that the plans conform to federal, state and local laws. We do not assist in the construction, remodeling, or decorating of Your Franchise Business. You must commence construction within 30 days from the signing of the Lease, and construction must be completed within 90 days from the date of the Lease.
- 4.3.1 <u>Design of Premises</u>. At Your own expense, and unless waived in writing by Us, You are required to follow Our interior and exterior design standards and specifications. We provide You preliminary layout/design plans for Your Franchise Business and We may require that You use a specific contractor to supply the build-out of Your Premises. You must adopt these plans at Your expense in accordance with local, state and federal laws, rules and ordinances, for Your specific Premises using a local architect. You are also responsible to obtain any required permits.
- 4.3.2 <u>Setting Up the Premises</u>. You shall arrange the fixtures, signs, furniture and décor of the Premises in strict compliance with the format and color schemes recommended by Us and to work with Our approved suppliers providing such items. We must approve Your



Premises setup prior to opening, and if any elements of the Premises do not meet Our specifications, You will, at Your cost, be required to make the required adjustments.

- 4.3.3 <u>Abandonment of Construction</u>. Abandonment of construction or stoppage of construction for six or more weeks due to Your fault or neglect will be grounds for terminating this Agreement.
- 4.3.4 <u>Approval of Construction</u>. You may not operate Your Franchise Business if construction, improvements and fixturization do not conform to Our approved specifications and failure to correct any unauthorized variance for such plans and specifications within 30 days after written notice from Us will be grounds for terminating this Agreement. We have the right to supervise and inspect all construction to assure compliance with approved plans and specifications.
- 4.4 <u>Commencing Operations</u>. You are required to commence operations not later than 30 days following completion of Your Premises and in no case later than seven months from the date of Your Lease.
- 4.4.1 Commencing Operations; Conditions to Opening. You shall notify Us in writing at least 30 days before You intend to open the Franchise Business to the public. Before opening, You must satisfy all of the following conditions: 1) You are in compliance with this Agreement; 2) You have obtained all applicable governmental permits, licenses, certificates of occupancy, and authorizations; 3) the Franchise Business conforms to all applicable System standards; 4) We have inspected and approved the Franchise Business, which may be done virtually; 5) You have hired sufficient employees; 6) Your officers and employees have completed all of Our required pre-opening trainings and certifications; and 7) We have given Your Our written approval to open, which will not be unreasonably withheld.
- 4.5 Relocation of Premises. You are not allowed to relocate Your Premises without Our prior written approval. Approval to relocate will be based upon the same criteria used in approving a new franchisee's proposed site. In addition, prior to opening Your new Premises, You will be required to pay for two of Our representatives to visit Your new Premises for up to two days. The price for this mandatory visit will be Our then-current rate for on-site assistance to You. You are responsible for all fees associated with this visit, plus Our expenses for transportation, food and lodging for each representative. You must demonstrate the financial ability to relocate as part of Our approval process. Additionally, You must pay Us a relocation Fee to cover Our costs to review and approve the relocation. See Exhibit "A-3."
- 4.6 <u>Failure to Meet Deadlines</u>. If You fail to meet a deadline and fail to cure, this Agreement is subject to Termination by Us, at Our option. However, You may be granted an extension at Our discretion if You demonstrate a good faith effort to comply with this Article 4. You will not receive a refund if You are unable to find an approved location.

ARTICLE V FEES AND REPORTS

5.1 <u>Initial Franchise Fee.</u> You shall pay Us the initial franchise fee listed in Exhibit "A-3" in one lump sum at the time of execution of this Agreement. The initial franchise fee is fully earned by Us and is non-refundable. No rights or privileges under this Agreement exist until the initial franchise fee is paid in full.



- 5.1.1 <u>Veteran Discount</u>. If You are an honorably discharged veteran of the United States military, You will receive a discount of 10% off the initial franchise fee. Veteran ID cards, a DD-214, and other documentation will be required to provide proof of honorable discharged status.
- 5.1.2 <u>Additional Franchises</u>. During the term of this Agreement, You may purchase additional franchises (not as part of an area development agreement) at a discounted initial franchise fee per location as listed in Exhibit "A-3." The reduced fee shall have a floor of \$24,500 per unit. This option will only be available to You if there are franchise territories available, You meet Our then-current criteria for new franchisees, You are current and not in default of this Agreement, and, in Our sole discretion, We determine to sell You another franchise. You will be required to sign Our then-current franchise agreement, which may have material terms different from this Agreement. In addition, You may purchase mobile trailer units that operate without any territory. The fees for the mobile trailer units are listed in Exhibit "A-3."
- 5.2 <u>Royalty</u>. You shall pay Us a non-refundable, on-going, weekly royalty as listed in Exhibit "A-3." The royalty is in consideration of Your right to use Our Intellectual Property and certain Confidential Information in accordance with this Agreement and not in exchange for any specific services We render.
- 5.2.1 <u>Change in Law.</u> In the event there is a change in the law or a discovery of a law affecting the collection of payments to Us, You agree to allow Us to modify the definition of "Gross Sales" and the calculation of other Fees due to Us in order to comply with the law. However, in no event will the modification of the term "Gross Sales" or the calculation of other Fees due to Us result in Your payment in excess of the Fees listed in Exhibit "A-3."

5.3 <u>Marketing Fees</u>.

- 5.3.1 <u>Marketing Fund</u>. You shall pay Us the weekly Marketing fee listed in Exhibit "A-3" for Our Marketing programs as further described in Section 10.1 below. This fee is payable on the same terms as the royalty.
- 5.3.2 <u>Local Marketing</u>. We do not set a local marketing requirement, but We strongly recommend You spend a minimum of \$1,000 per month on local advertising for Your Franchise Business.
- 5.4 <u>Calculation and Reporting</u>. The calculation, reporting and payment of the Fees specified in Sections 5.2 and 5.3 above will be made as follows:
- 5.4.1 Payments: Due Date. Royalties and Marketing Fund Fees are due weekly, payable each Monday for the prior week's Gross Sales, and will be paid in accordance with Our then-current electronic funds transfer, ACH or other automatic withdrawal program or as specifically directed by Us. Currently, the Fees as shown and calculated on the Gross Sales Report are due and payable and shall be automatically withdrawn from Your Operating Account. Our current ACH agreement is attached hereto as Exhibit "A-7" and may be modified by Us at any time in Our sole discretion. We reserve the right to require an alternative payment frequency for any or all Fees in the future. You agree that Your obligation to pay all Fees due under this Agreement are absolute and unconditional.
- 5.4.2 <u>Operating Account</u>. You shall not have more than one Operating Account associated with the Franchise Business. If You fail to timely report Gross Sales, We may automatically sweep or debit an estimated amount of Fees due to Us. You shall pay Us any



amount owing if We underestimate Your payment to Us, and We will credit You with any overage that We charge. You must maintain a minimum of \$10,000 in Your Operating Account at all times for business emergencies, provided that in any 30-day period, the Operating Account may have less than such amount for a period of not more than five days. You are required to provide Us with view-only access to Your Operating Account.

- 5.4.3 <u>Late Fees</u>. You will be charged a late Fee if a required Fee, payment to us or an affiliate, or report is not timely received by Us or an affiliate, and You will be charged per bounced check or insufficient funds transfer. See Exhibit "A-3." These Fees are due upon demand or with the next royalty payment, and the amounts may be adjusted by Us from time to time in the Manuals.
- 5.4.4 <u>Interest</u>. In addition, all Fees not paid when due will be assessed and accrue interest from the due date to the date of payment, both before and after judgment at the rate of 18% per annum or the maximum rate allowed by law, whichever is less. In no event will any amounts be charged as interest or late fees or otherwise, that exceed or violate any applicable legal restrictions. Unpaid interest charges will compound annually.
- 5.4.5 <u>Sales or Use Tax</u>. If there is hereafter assessed any nature of sales tax or use tax or other value added tax on Fees, You pay to Us. You shall also pay Us the applicable tax when invoiced.
- 5.5 <u>Reports and Financial Statements</u>. You must submit the following reports by the following due dates. We reserve the right to require all reports to be submitted at more frequent intervals.

TYPE OF REPORT	DUE DATE	REMARKS
Gross sales report	Due weekly on the same date as royalties	This report must include the prior week's sales of the immediately preceding week showing all monies received or accrued, sales or other services performed and other information concerning your financial affairs, as we may reasonably require.
Inventory and Labor Expenses	Due monthly with the first royalty payment each month	You must submit this report in a form we approve or require, and it must show the prior month's expenses.
Monthly Financial Statements	The 15th day of the following month	These financial statements do not need to be prepared by your accountant or audited unless requested by us.
Annual Financial Statements	On or before January 31 of each year	These statements must be submitted in accordance with the standard profit and loss statement template and balance sheet template required by Us. This is a complete financial statement for the preceding calendar year, including a profit and loss statement and balance sheet. These financial statements do not need to be prepared by Your accountant or audited unless requested by Us.
Federal Tax Return	Within 15 days after filing	
IRS Form 941	Within 15 days after filing	



(Employer's Quarterly Federal Tax Return)		
Other Reports	Upon Request	Those additional reports that We may from time to time require, Including by way of example and not limitation, sales and cost data and analysis, advertising budget and expenditures.

- 5.5.1 Access and Use of Financial Records. We or Our certified public accountants or other duly authorized agent, have the right during normal business hours, to conduct computer audits and other audits and examine and make copies of Your books, records, financial statements and sales and income tax returns. You must keep complete and accurate books and records of the operation of Your Franchise Business. You shall provide Us with access to, or copies of, all financial records in the time We require.
- 5.5.2 <u>Audit of Books and Records</u>. If any audit or investigation discloses a deficiency of 2% or more of the Gross Sales in the computation or payment of Fees due to Us, You shall immediately pay Us the amount of the deficiency, the appropriate Fee for late charges, and You shall reimburse Us for the total expense of the audit or investigation, Including the charges for the accountant and the travel expenses, room, board and other costs incurred in connection with the audit. Your failure to report Gross Sales for any period, or Your failure to retain and have available readable and organized required records will be deemed an understatement by more than 2%.
- 5.6 <u>Application of Payments</u>. We can apply any payments received from You to any past due or then-current indebtedness of Yours for any payments owed to Us.
 - 5.7 No Refunds. The Fees set forth in this Agreement are not refundable.
- 5.8 <u>Funding</u>. You are solely responsible to obtain all funding for Your Franchise Business. Failure to obtain sufficient initial funds to open Your Franchise Business is grounds for termination of this Agreement.
- 5.9 Non-Compliance Fines. In Our sole discretion, as an alternative to placing You in default, as determined on a case-by-case basis, Including for failure to cure a prior default even if a fine has been imposed, We may issue You a fine for certain violations of this Agreement and/or the Manuals. See Exhibit "A-3." The fines are set forth in Our Manuals and are paid to Us to reimburse Us for Our administrative and management costs for Us to address the violation and is not a penalty or estimate of all damages arising from Your breach. If You do not correct the violation within the time required by Us, We have the right to put You in default. We are not obligated to charge You a fine before putting You in default. All fines and charges are to be paid upon billing or in accordance with Our electronic funds or automatic withdrawal program, if established. Such fines are not Our sole remedy. Our decision to impose or not to impose a fine for Your non-compliance does not constitute a waiver of any other right that We may have under this Agreement, including Termination of this Agreement.
- 5.10 <u>Technology Fee</u>. You must pay Us or the designated supplier(s) the Fee listed in Exhibit "A-3" for utilization of Our technology suite. We can designate You to pay all or a portion of this Fee directly to the supplier. We may increase this fee to account for new or additional technologies and increased costs.



5.11 <u>Fee Increase</u>. Unless otherwise set forth herein, if a Fee is subject to increase by Us (as opposed to by an affiliate or third-party), the increase will not be more than the equivalent of 15% per year during the term of this Agreement.

ARTICLE VI FRANCHISEE'S OPERATIONAL COVENANTS

- 6.1 <u>Business Operations</u>. In addition to other obligations, requirements and covenants set forth in this Agreement:
- 6.1.1 <u>Compliance with Applicable Laws</u>. You are solely responsible for ensuring compliance with all other applicable laws, ordinances and regulations or ruling of every nature whatsoever which in any way regulate or affect the operation of Your Franchise Business. You must also comply with federal, state, and local health and consumer protection laws and regulations governing the food service industry and concerning food preparation, handling, storage, truth in menu laws concerning menu item names and product labeling, nutritional claims, and local labor regulations, Including minimum age and minimum wage laws.
- (i) <u>Permits and Licensing</u>. You shall obtain and maintain all required permits and licenses for the operation of Your Franchise Business. You agree that We have not made and You have not relied on any representation that no permits or licenses, or only certain licenses, permits, etc., are necessary in connection with the operation of Your Franchise Business. Included with this requirement is playing only music that is obtained through a reputable business provider for music.
- 6.1.2 Appearance; Customer Service. You shall establish and maintain the Premises in a clean, attractive and repaired condition; perform work competently and in a workmanlike manner; give prompt, professional, courteous and efficient service to the public adhering to the highest standards of honesty, integrity, fair dealing, and ethical conduct; and otherwise operate Your Franchise Business in strict compliance with Our System and policies, practices and procedures contained in the Manuals or otherwise communicated to You so as to preserve, maintain and enhance the reputation and goodwill of Our System. We reserve the right to require that Your employees comply with any dress code, Mark, or other brand-related standards that We may require. You shall arrange the fixtures, signs, furniture, and décor of the Franchise Business in strict compliance with the format recommended by Us.
- 6.1.3 <u>Signage</u>. You must have the number of interior and exterior signs as required by Us and according to Our specifications. All signs used on, in, or in connection with Your Franchise Business must meet Our specifications and must be approved in writing by Us prior to Your use. You shall maintain all signs in good condition and undertake such repairs and or replacements at Your expense as We reasonably determine necessary. You are required to use the location's pylon/pole or monument sign, if available. You understand and acknowledge that while You are required to purchase and display signage, Including signage displaying Our Marks, You do not own rights to use of the signs following Termination.
- 6.1.4 <u>Training</u>. Your Operating Principal and Your designated managers, if other than Your Operating Principal, are required to attend and successfully complete Our training program at least 15 days prior to opening Your Franchise Business. You are required to pay the initial training fee (see Exhibit "A-3") to Us not less than 45 days prior to opening Your Franchise Business. The length of training is generally five to six days but could be longer if Your Operating Principal or Your designated manager fails to successfully complete the training. Successful completion will be determined by Our trainers but may Include demonstrating knowledge of



basic techniques, knowledge of policies and procedures, food preparation and assembly, daily operations, record keeping, computer system competency, Marketing, and customer service. Failure to successfully complete training is a default of this Agreement. The training instruction is provided by Us for up to four management and/or executive level personnel. You shall bear the cost of all travel, lodging, meals and all other living costs and expenses and compensation for all of Your attendees. Each person must attend the same training session.

- (i) <u>Replacement Training</u>. Any new Operating Principal or managers must complete the initial training program within 14 days of hire. The Fee for this training is listed on Exhibit "A-3." Depending on availability and advanced written notice, this training may take place at Your location, but more likely the training will take place at or near Our headquarters. You will also be responsible to cover the travel, food, and lodging for Your attendees or Our representatives.
- (ii) <u>Initial Refresher Training</u>. After Your Franchise Business has been open and operating for six months, You are required to send Your Operating Principal and Your manager(s) to attend additional refresher training. This training will last two days and will be held at our headquarters or such other location as We determine. The Fee for this training is set forth in Exhibit "A-3."
- (iii) <u>Annual Manager Training</u>. At Our discretion, once each calendar year, at a time designated by Us, Your Operating Principal and Your designated manager may be obligated to meet with Our representatives at a location specified by Us, for the purpose of discussing and reviewing Your operations, status, and financial performance. If We, in Our discretion, determine that such a meeting is necessary, all costs of travel, food, lodging, and Your employee salaries, and other expenses will be borne by You. The Fee for this training is set forth in Exhibit "A-3."
- (iv) <u>Additional In-Person Training</u>. Depending on availability and advanced written notice, if you would like additional in-person training, We may provide this training to You. We have the right in Our sole discretion, to limit additional training to a certain number of days, attendees, and/or representatives at a time. We can also require Your Operating Principal and/or other key personnel to attend additional trainings if You are in default, or if We reasonably believe such training would be in the best interest of Your Franchise Business. At Our discretion, in the event You do not pass an inspection, or We determine, in Our sole discretion, that You need additional training. You shall attend a refresher training. Our current Fee for additional and refresher training is listed in Exhibit "A-3." For all training, You shall also bear the costs of travel, food, lodging and compensation of Your management employees and Us (if applicable) in connection with training.
- (v) <u>Additional Training Implemented by You</u>. In addition, You are required to implement a training program related to brand and trademark quality control for Your employees in accordance with Our Manuals and all other training programs as may be specified by Us from time to time for which a Fee may be charged.
- (vi) <u>Non-Disclosure</u>. All attendees at a training must sign a non-disclosure agreement acceptable to Us before attending a training.
- 6.1.5 Opening Assistance. You must provide Us a valid certificate of occupancy for the Premises before We send any representatives to provide any opening assistance. If You postpone or reschedule Your opening, or if You fail to provide a valid certificate of occupancy before the scheduled soft opening assistance, You must pay Us the rescheduling Fee listed in



Exhibit "A-3" to reschedule Our opening assistance. Additional details on the opening assistance are set forth in Section 7.4 below. You are required to have paid all amounts for Your initial cookie dough and toppings order and Your grand opening marketing (see paragraph 10.4.2(i)) to Us or Our affiliate 30 days for cookie dough and toppings, and 45 days for grand opening marketing, before the scheduled grand opening. (See Exhibit "A-3"). If You do not pay the required amount, We will reschedule Your opening and You will be responsible for all costs associated with the rescheduling.

- 6.1.6 Other Agreements. You must execute all other agreements required under this Agreement or as reasonably requested by Us from time-to-time and to provide Us with a copy within 15 days of execution.
- 6.1.7 <u>Management</u>. Your Franchise Business must be managed by either Your Operating Principal or a designated manager who will be required to devote their full time, attention, and best efforts to the management and operation of Your Franchise Business. Your designated manager is not required to have an equity interest in Your Franchise Business. You must have at least one manager on site during regular business hours. You must disclose the identity of Your Operating Principal to Us, and You must immediately notify Us in writing if Your Operating Principal is no longer acting in such capacity. We must approve of Your Operating Principal and any replacement Operating Principal.
- (i) Unless Your Operating Principal will act as the full-time manager of the Franchise Business, Your Operating Principal is not required to work a certain or minimum number of hours; however, Your Operating Principal must maintain sufficient inventory, supplies and products and work sufficient hours to operate Your Franchise Business or supervise Your managers and employ adequate personnel to operate Your Franchise Business at its maximum capacity and efficiency.
- (ii) Although We do not require Your Operating Principal to be involved in the day-to-day on-premises management, Your Operating Principal is required to participate in Your Franchise Business as follows: (i) be directly responsible for overseeing all accounting, reporting and bookkeeping, and all financial components of the Franchise Business; (ii) attend and complete all training and retraining courses required by Us; (iii) attend any annual or special meetings of franchisees called by Us; (iv) be directly involved with site selection, construction, remodeling, (v) be directly involved in all personnel decisions affecting the Franchise Business; and (vi) conduct frequent inspections of the Franchise Business operations to ensure the highest standards of professionalism, cleanliness and general pleasant appearance in compliance with Our approved methods.
- (iii) Your Operating Principal must devote their primary attention to the Franchise Business, and You, Your Operating Principal and Your manager(s) must keep free from any conflicting or competing enterprises or any other activities that would be detrimental to or interfere with the operation of Your Franchise Business.
- 6.1.8 Operational Hours. You shall operate Your Franchise Business seven days per week throughout the year and for 10 hours per day between the hours of 10am and midnight Monday through Friday or at the hours We may designate.
- 6.1.9 <u>Remodel and Upgrades</u>. You shall repair, refinish, repaint, remodel, modernize, redecorate, or otherwise refurbish Your Premises from time to time as We may reasonably direct, but not more often than every five years between required remodels and upgrades (except for required changes to the Marks and equipment, which We may require at



any time) to conform to the building design, color schemes and presentation of trade dress consistent with Our then-current public image. This can Include structural changes, new flooring, wall treatments, signage, remodeling, redecoration of the furnishings, fixtures and décor and such modifications to existing improvements as may be reasonably necessary, such that all Dirty Dough® Cookies locations will have a generally similar look and appearance. At Your sole expense, We can also require You to upgrade Your equipment at any time. You must complete all such updates and upgrades and otherwise remodel Your Franchise Business within the time frames required by Us. You shall also complete any day-to-day maintenance issues as they occur.

6.1.10 Your Employees. You, Your principals, and Your employees are not Our employees. You are solely responsible for the hiring, firing, compensation, benefits, managing, and training of Your employees. We do not assist You in employment related decisions, or in creating any policies or terms and conditions related to the management of Your employees or their employment. The only training assistance We provide is the training of Your designated managers and Operating Principal. All of Your employees must watch the applicable training videos related to brand and trademark quality controls required by Us. We may provide You with a sample employee guide or manual, but it will only be an example of certain employment matters unless otherwise expressly provided by Us. It is Your responsibility to comply with local and federal labor and employment laws.

6.1.11 Insurance.

(i) <u>Minimum Limit Requirements</u> You shall at all times during the entire term of this Agreement and at Your own expense, keep in full force, by advance payment(s), the following minimum insurance policies, obtained from a company rated "A-" or better by A.M. Best & Company, Inc.:

Type of Insurance	Minimum Required Amount(s)
Commercial General	\$1,000,000 per occurrence and \$2,000,000 in the aggregate, or
Liability Insurance	leasehold minimum, whichever is greater; \$300,000 damage to the
Liability irisararice	premises; \$5,000 premises medical; \$1,000,000 personal and
	advertising injury limit; and \$2,000,000 products and completed
	operations aggregate.
Property Insurance	The coverage must include 100% of the full replacement cost against
Property insurance	- · · · · · · · · · · · · · · · · · · ·
	loss or damage from fire and other risks normally insured against in
	extended risk coverage. It also must include a special form in the
	amount of your inventory and the improvements and betterments to
	the store. The coverage should be replacement cost with no
	coinsurance. The agreed amount with the insurance company or
	waiver of coinsurance will suffice for the removal of coinsurance. The
	coverage must include business income on an actual loss sustained
	basis for 12 months. Flood coverage, if applicable, must apply. If
	building coverage is to be included, all coverages noted above will
	apply.
Commercial	At least \$1,000,000 occurrence limit (combined single limit for
automobile insurance	personal injury, including bodily injury or death, and property
	damage) for all owned, non-owned, and hired autos.
Employment practices	\$100,000 per occurrence.
liability insurance	
Crime policy	\$10,000 for employee dishonesty policy (written on a loss discovered
	basis). In addition, the policy must include robbery both in and out
	with coverage limits of \$5,000.



Umbrella insurance		\$1,000,000 per occurrence.
Government	Required	You must maintain and keep in force all worker's compensation and
Insurances		employment insurance on Your employees required under all federal
		and state laws.

(ii) <u>Policy Requirements</u>. Other than worker's compensation, these policies must insure You and Us (Dirty Dough Franchising LLC) and Our nominees as additional insureds, without regard to any other insurance program that We may have in effect, against any liability that may accrue by reason of or relating to Your ownership, maintenance, or operation of the Franchise Business wherever it may be located. These policies must stipulate that We will receive a 30-day written notice prior to renewal or termination, and We must receive a 30-day notice of any modifications. Original or duplicate copies of all insurance policies, certificates of insurance, or other proof of insurance acceptable to Us must be furnished to Us together with proof of payment prior to You beginning operations and within 15 days of any request which We may make from time to time.

These insurance coverage requirements are only minimums. You need to make an independent determination as to whether increased amounts or additional types of insurance are appropriate. If You fail to obtain insurance and keep the same in full force and effect, We may obtain insurance at Our discretion, and You must reimburse Us the premium costs for the first month (thereafter You are required to pay the insurance premium directly to the insurance provider), plus an administration Fee for Our time (see Exhibit 'A-3"). We may periodically increase the amounts of coverage required and/or require different or additional coverage. If Your Premises are damaged and covered by insurance, You must use the proceeds to restore the facility to its original condition no later than 160 days from receiving the proceeds.

6.1.12 Pricing. We may, to the degree permitted by law, suggest retail prices and specify maximum and/or minimum pricing You may charge for products and services. If We impose a maximum price for any product or service, You may charge any price for the product or service up to and Including the maximum pricing We impose, but You may not charge any price in excess of the maximum pricing. If We impose minimum pricing for any product or service, You may charge any price down to and Including the minimum pricing imposed, but You may not charge any price below the minimum pricing set by Us. Unless otherwise agreed to by Us in writing, You cannot advertise or promote prices lower than, or inconsistent with, Our suggested prices outside of Your Premises. Our pricing policies are intended to benefit the System as a whole and may not maximize Your profits.

6.1.13 Computer and POS System. At Your expense, You must purchase or lease the computer and point of sale ("POS") system and other computer hardware and software systems designated by Us in strict accordance with Our specifications, and We can mandate the forms of payment that You can or must accept. If We adopt a different computer system, POS system or other system in the future, You must adopt it at Your expense. You must maintain, repair, modify and upgrade, all such items, at Your sole expense. You must provide Us full 24-hour/7-day a week access, Including online access, and the right to "upload" or "download" information to and from all POS, computer and other systems, and to the information and data contained in them. There is no contractual limitation on Our right to receive information through Your computer, POS or other systems or to the frequency and cost of the obligation to upgrade and maintain them. You hereby waive any claim against Us or Our affiliates for any loss, damage, liability or expense caused by or related to failures, errors, acts, omissions, or otherwise of any computer, POS, hardware or software system (not related to Our or an affiliate's acts or omissions).



- (i) Retention of Records. You must record all sales at the time of the sale in Your computer and/or POS system, or other sales recordation system approved or designated by Us. You must retain all POS and iPad records, charge account records, sales slips, orders, return vouchers, sales tax reports and all of Your other business records and related back-up material, tax returns and financial reports for at least five years following the end of the year in which the items pertain, Including after the Termination of this Agreement.
- (ii) <u>Accounting Procedures</u>. You must use the accounting software designated by Us. You are required to follow Our accounting procedures, line items, and templates and charts of accounts as provided and updated in Our Manuals. You are required to use the accounting system and software designed by Us, and You are solely responsible for any fees associated with the use of such accounting system. We will have independent access to Your account, which You cannot restrict at any time.
- (iii) <u>Merchant Account</u>. At Your expense, You must participate in Our merchant account and other point of sale programs as set forth in Our Manuals. The required or designated provider may change at any time, and you are required to comply with any changes and are solely responsible for the fees associated with any changes.
- Your cost and expense, You must Data Security Standards. (iv)investigate and ensure that You comply with all payment card industry ("PCI") and data security standard ("DSS") standards, regulations, and requirements, however, We reserve the right to approve of the vendor You use for compliance. You must meet the requirements of, and comply with enhancements and changes to, the PCI and DSS and maintain PCI compliance with the current version of the PCI and DSS. We reserve the right to require an audit (and to designate the auditor) to verify compliance. You must reimburse Us for all costs related to the audit if You are not in compliance. You are responsible to use all required tools, systems, and vendors to complete ongoing PCI requirements, Including quarterly external security scans and annual selfassessment questionnaires. You are solely responsible for all costs relating to PCI compliance and data security issues, Including, security threats, breaches, and malware. It is Your responsibility to alert Us, not later than 24-hours following a suspected or confirmed data security breach, so that appropriate action can be taken to protect Customer Data and to notify relevant parties. You are not permitted to collect, store, transfer, etc., any unnecessary customer information.
- Compliance Monitoring System. You shall install a compliance monitoring system in Your Premises to protect Your Franchise Business. You are solely responsible for the monitoring, maintenance and upgrades to this system. We do not regulate the type of compliance monitoring system and do not designate the specific type of compliance monitoring system You install, but it must have both inside and outside cameras and must be of sufficient capabilities to adequately protect Your Franchise Business, Your Premises and Your inventory. You are required to provide Us notice of its installation. Both You and We must have the right to online access to the system, but We are not required to monitor Your location for safety or compliance. You may not install any cameras in places where employees and customers have a reasonable expectation of privacy, e.g., bathrooms, changing rooms, etc. By installing the compliance monitoring system, You and Your employees are waiving their right to privacy in nonprivate areas of the Premises, and You agree to include a provision in all Your employment applications and other applicable documents that require Your employees to sign and waive their right to privacy with respect to the use of any compliance monitoring system. You agree to indemnify and hold Us harmless from and against any claim related to Your compliance monitoring system.

- 6.1.14 <u>Conferences and Seminars</u>. In Our discretion, We may hold conferences or seminars on a regional or national basis for all franchisees in good standing. The conferences and seminars may be held at various locations chosen by Us. If held, Your Operating Principal may be required to attend, and You must pay all registration fees We may impose together with all travel, lodging, food, and other expenses for each of Your attendees.
- 6.1.15 <u>Required Software</u>. You must use and pay for all software (Including a customer relation management "CRM") as required by Us, which may be changed from time-to-time. Any software fees You pay to US are payable with Your royalty fees or on demand.

6.2 Quality Control.

- 6.2.1 <u>Correction of Defects</u>. You shall immediately correct defects, deficiencies or unsatisfactory conditions in the appearance or conduct of Your Franchise Business. You shall establish and maintain an image and reputation for Your Franchise Business consistent with the standards set forth in this Agreement, in the Manuals, or as otherwise specified by Us.
- 6.2.2 <u>System Compliance</u>. You shall strictly follow Our System, the Manuals, Recipes, and other directives promulgated or provided by Us from time-to-time.
- (i) <u>Email Address</u>. You must at all times use and maintain the email address provided by Us or approved by Us for use in relation to Your Franchise Business, frequently checked by You to facilitate Our communications, and that You must use as the sole email for all Franchise Business-related communications and accounts. If We provide You with an email account/address, We have the right to access Your email account at any time and without notice to You, and You understand and acknowledge that You have no expectation of privacy in the assigned email accounts. If You are allowed to maintain Your own Social Media accounts, all such marketing or Social Media accounts must be attached only to the email address We provide to You or that is approved by Us.
- (ii) <u>Incentive Programs</u>. If We adopt a loyalty, coupon, gift card/certificate, free giveaways, fundraising programs, membership or subscription model, or other discount or incentive program, You are required to implement and honor such programs in Your Franchise Business. You are not allowed to implement any sort of coupon, loyalty, membership, subscription model, gift card program, etc., without Our prior written permission.
- (iii) <u>Modifications</u>. We have the right to modify, delete, add to and otherwise make systematic and other changes to the System, Intellectual Property, Manuals and operations, etc. We may issue new specifications and standards for any aspect of Our System, or modify existing specifications and standards, at any time by revising Our Manuals and/or issuing new written directives (which may be communicated to You by any method We choose). You must accept, comply with, use, and implement any and all such changes to the System or operations. The modifications may obligate You to invest additional capital in Your Franchise Business and to incur higher operating costs. You must incorporate all such modifications within the time We specify Other than modifications due to health or governmental mandates or guidelines, or public concerns, We will not obligate You to invest additional capital at a time when the investment cannot, in Our reasonable judgment, be amortized during the remaining term of this Agreement. You are prohibited from making modifications to the System or Your Franchise Business without Our prior written approval.
- (iv) <u>Inspections and Visits</u>. We may conduct periodic evaluations, inspections, and audits of all aspects of Your Franchise Business at reasonable intervals by Our



duly authorized representative for compliance with the System, reporting, customer service and the standards and procedures set forth in the Manuals. These inspections may be conducted in person or through remote access such as video or live video conferencing. Our inspections may Include Your Premises, vehicles, business records, bank accounts, Venmo or similar accounts, operating procedures, reports, computer drives, electronic storage devices, POS system, account records, tax records, etc. We also have the right to speak and interact with Your employees and customers, and to remove samples of products, supplies and materials. Immediately upon Our request, You must provide to Us video and/or images of the interior and exterior of Your Premises, and any specific pieces of equipment or other areas of the Premises as may be more fully set forth in the Manuals. If You fail any inspection and We determine a need to conduct a re-inspection for compliance, You will be required to pay Us a fee for the re-inspection. The fee is due upon billing after Our re-inspection. (See Exhibit "A-3."). You will also be required to pay all travel, lodging, food and other expenses for Our representatives related to the re-inspection.

- (v) Online Ordering and Delivery. You must participate in any online ordering program for takeout or delivery, whether provided by Us or one or more third parties designated by Us. You will not participate in any third-party delivery platform unless approved by Us. You must use all required software or other equipment required by Us or any such third party necessary to provide the services as designated and as may be updated, supplemented or changed. You shall also provide Us with any login information necessary to access any third-party delivery provider accounts. You agree that We will have unrestricted access to review the information in such accounts at any time. Any such software or equipment must be purchased by You at Your cost. You understand and acknowledge that any third-party providers may also charge fees or commissions for their services, and You shall pay all such costs or fees.
- (vi) <u>Customer Complaints</u>. In the event We step in to resolve any customer dispute with You or the Franchise Business, We will charge a Fee (see Exhibit "A-3").
- 6.2.3 <u>Interim Management</u>. If We give You notice of default and You fail to cure (or as set forth in Section 1410), We have the right to step in to manage Your Franchise Business for up to six months, as We deem advisable for a Fee. See Exhibit "A-3". You must also pay all travel, lodging, food and other expenses for Our representative(s) and other expenses that may be incurred by Us to perform such services, plus royalties, advertising fees and other applicable fees.
- Operations, Access to Information and Operating Account. During the Interim Management Period, You hereby grant Us authority to assist You in managing any or all aspects of Your Franchise Business. We will work directly with Your Operating Principal and Your manager. We may require additional training for Your Operating Principal, Your manager, employees, and other contracted personnel. You shall cooperate to provide Us with all pertinent information regarding Your Franchise Business and access to the applicable operating accounts to enable Us to efficiently assist with management operations. All accounts must remain in Your name during the Interim Management Period, but You shall add Us or Our representative as a co-signer on certain accounts. You shall cooperate with Us in communicating with all vendors and suppliers related to Our interim management. You hereby grant Us permission to speak directly with Your landlord and suppliers, banks, IRS, state agencies, creditors, etc., regarding Your Franchise Business, and You shall cooperate with Us to facilitate such communication. We may require You to establish a new bank account for Your Franchise Business during the Interim Management Period into which all operating income will be deposited. You and We (at Our option) will have authority over this account, and You or We will make payments on Your accounts payable as cash is available, but only with Your prior authorization and direction when possible. You are ultimately responsible for all operating costs both before and during the Interim Management Period. You shall provide Us with a list of all accounts payable with direction on



which accounts are to be paid, but with the understanding that all taxing authorities will be paid first. Any excess funds in the Operating Account or any new account after all applicable costs and Fees have been paid and after an additional amount has been set aside sufficient for the Franchise Business to fulfill its business purposes as determined by Us, will be transferred to You monthly. We may provide monthly internal profit and loss statements to You. We have no obligation to infuse capital into Your Franchise Business, but if We do, such amounts will be treated as a loan, which must be repaid within an agreed upon time and bear market interest as agreed. We have the right to direct Your employees and contract personnel during the Interim Management Period. Both You and We agree that in no way does Our interim management create a relationship of trustee, beneficiary or any type of fiduciary relationship over or in relationship to Your Franchise Business.

(ii) <u>Your Obligation to Cure</u>. During the Interim Management Period, You are obligated to cure all applicable defaults within the applicable cure periods as set forth in this Agreement. We have the right to terminate this Agreement during the Interim Management Period for defaults not cured within the applicable cure periods.

You must also pay all travel, lodging, food and other expenses for our representative(s) and other expenses that may be incurred by us to perform such services, plus royalties, advertising fees and other applicable fees.

6.2.4 <u>Mystery Shopper Service</u>. We reserve the right, from time to time, at Our expense and without prior notice to You, to evaluate the operation and quality of Your Franchise Business through the use of a secret shopper service provided by Us or a third-party. We may use such service evaluations to inspect Your Franchise Business at any time. We may make the results of any service evaluation available to You, in Our sole discretion.

6.3 Miscellaneous Obligations.

- 6.3.1 <u>Personal Guarantees</u>. If Your Franchise Business is owned by a business entity, each individual owner, partner, shareholder, and member, respectively, who owns 20% or greater interest, must each personally sign an agreement not to compete and must personally guarantee the performance of all Your obligations under this Agreement and agree to be personally bound by, and liable for, the breach of every provision of this Agreement. See Exhibit "A-8" Guaranty and Assumption of Obligations.
- 6.3.2 <u>Drug Testing</u>. We may require You and Your management employees to submit to random drug testing at the time and place We feel necessary to ensure Your compliance with Our policies regarding drug use in the System; however, We are under no obligation to perform such testing on Our or Your behalf. You are required to provide Us a copy of all drug testing results within 30 days from the time You receive such test results.
- 6.4 <u>Standards and Control</u>. Any required standards exist to protect Our interest in the System and the Marks and not for the purpose of establishing control or duty to take control over those matters that are reserved to You.
- 6.5 <u>Required Notices</u>. You shall provide Us with prompt notice (within 5 business days of receipt) of any default with regards to late payment of any taxes, government fines, payments owing to any vendors, landlords, or amounts owing to employees or contractors.
- 6.6 <u>Non-Contravention; Non-Disparagement</u>. You shall not undertake any action or inaction to circumvent, contravene, or undermine the purposes of this Agreement. Additionally,



during and after the term of this Agreement, You shall not in any way, form, or medium, make any negative, disparaging, false or misleading statements, published or made orally, Us, the System, the brand, or Our officers, owners, partners, directors, members, managers, representatives, agents or employees

6.7 <u>Non-Delegation</u>. You may not outsource to a third party, any part of Your obligations to Us or services to customers, Including to another franchisee, without Our prior written approval.

ARTICLE VII FRANCHISOR'S OPERATIONAL ASSISTANCE

- 7.1 <u>Layout and Design</u>. We shall provide You with general specifications for the Premises layout, signs, equipment and interior décor.
- 7.2 <u>Suppliers and Products</u>. We shall provide You with a list of specifications for approved products and a list of approved suppliers. We may add to or discontinue working with any of Our suppliers.
- 7.3 Operations Assistance. We shall furnish You with guidance relating to the general operation of Your Franchise Business and upon Your reasonable request, make Ourselves available to consult with You by telephone, email video conference, teleconferences, or website posting during regular business hours during the continuing operation of Your Franchise Business. Other than initial training and the opening assistance, We are not required to provide additional training to You. If You feel additional training is necessary (such as management training), We will provide such training to You based on advance notice, availability of personnel, and Your payment of a per day, per person Fee. See Exhibit "A-3." You shall be responsible to cover the cost of travel, food, wages, lodging and other costs incurred by Your trainees or Our representatives, as applicable.
- 7.4 <u>Initial Training</u>. We shall train Your Operating Principal and other attendees designated manager(s) in the various practices, policies and procedures of operation of Your Franchise Business. This training will take place in Salt Lake City, Utah or other location as designated by Us.
- 7.4.1 Opening Assistance. We will provide You with at least one of Our representatives to assist You with Your soft opening depending on need as determined solely by Us. This assistance may be provided virtually as determined solely by Us. If You reschedule the opening assistance with less than 14 days' notice to Us, You will be charged a \$500 rescheduling fee.
- 7.5 <u>Additional Guidance</u>. Additional guidance at Our sole discretion, will be furnished in the form of written Manuals, videos, audio recordings, bulletins or other written materials, telephone consultations and/or consultations at Our offices or at Your Franchise Business. We have the right to communicate directly with Your Operating Principal, designated managers, and assistant managers concerning operational matters that We reasonably believe may affect Our goodwill, Marks, or the System.
- 7.6 <u>Website Maintenance</u>. We may choose to maintain a website for the Dirty Dough® Cookies brand that will include Your business information and telephone number for Your location.



ARTICLE VIII PURCHASE OF PRODUCTS AND EQUIPMENT

- 8.1 Approved Products and Services; Suppliers. You shall purchase, use, provide, and sell only those goods and services that meet Our specifications and/or that are purchased from Our approved suppliers. You shall timely pay all suppliers, Including Us and Our affiliates for purchased goods and services. The prices, delivery terms, terms of payment, and other terms relating to the sale of such goods and services are subject to change by the supplier (Including Us and affiliates) without prior notice at any time. In no event will We or an affiliate be liable to You for unavailability of or delay in shipment or receipt of merchandise due to temporary product shortages or unavailability, order backlogs, production difficulties, delays in or unavailability of transportation, fire, strikes, work stoppages, or other such causes. A list of approved goods, services, and suppliers may be set forth in Our Manuals, which list We may update from time to time. No product or service may be added to, altered, or discontinued by Your Franchise Business unless it is first approved by Us in writing. Any additional goods or services that are unique to Your area requires written approval from Us before such goods and/or services are offered. For the purpose of this Article, "goods" means any product, good, equipment, tool, item, etc.
- 8.1.1 <u>Delivery and Installation</u>. For delivery and installation, You are required to work directly with the manufacturer or supplier of these items. We do not assist in delivery or installation of any required or approved purchases.
- 8.2 <u>Supplier Compensation</u>. We or Our affiliate have the right to derive revenue from the sale of required goods and services through mark-ups in prices We charge to You for goods and services purchased from Us or an affiliate, or We or an affiliate may receive compensation or discounts from the supplier for Your purchase of such goods and services. No compensation is due to You for compensation or discounts We receive from suppliers.
- 8.3 <u>Unapproved Suppliers</u>. If You desire to purchase any goods or services from an unapproved supplier, You must submit to Us a written request for such approval or request the supplier itself to do so. We may require You to submit samples, Including ingredient lists, and other data to permit Us to ascertain whether any such supplier meets Our specifications. We will notify You in writing and within 30 days of completing Our evaluation as to whether that supplier has been approved. You shall reimburse Us for all Our costs and expenses associated with evaluation and testing within 30 days of Our completing evaluation, whether or not the requested supplier is approved. A supplier who is able to meet Our specifications may, as determined in Our sole discretion, become an approved supplier for Your Franchise Business only or for the System as a whole. We may make changes in the standards and specifications for approved suppliers. At Our discretion, We may revoke Our approval of an approved supplier upon 30 days' prior written notice.
- 8.4 <u>Equipment</u> You shall maintain all inventory and equipment of Your Franchise Business in good working order.
- 8.5 <u>Warranties; Support.</u> You must look to the respective manufacturers or suppliers for issues related to warranties defective products, training and support for any third-party goods purchased for Your Franchise Business. We will replace defective items purchased directly from Us pursuant to Our standard limited warranty, if any.



ARTICLE IX MANUALS

- 9.1 Manuals. We shall loan You a copy or provide electronic access to Our Manuals. You may not copy any part of the Manuals either physically or electronically. The Manuals are confidential and remain Our property. The Manuals may be used by You only in association with Your Franchise Business and only during the term of this Agreement. We have the right to revise the Manuals at Our sole discretion. You must promptly and continuously comply, at Your expense, with all provisions of, and modifications to the Manuals. The master or most updated copy of the Manuals maintained by Us will be controlling in the event of a dispute relative to the contents of the Manuals.
- 9.2 <u>Standards and Procedures</u>. We may establish performance procedures, standards and specifications, Recipes for products, services and Marketing ("Standards") for the operation of Your Franchise Business. We may change these Standards at Our discretion, and You must strictly follow and implement all such Standards within the periods required by Us.

ARTICLE X MARKETING

- 10.1 <u>Marketing Fund</u>. You shall contribute to Our national Marketing and brand development fund ("Advertising Fund") for Marketing activities as We, in Our sole discretion, may deem necessary or appropriate to Market the System. The Fees for the Marketing Fund are listed in Exhibit "A-3." We can terminate or postpone the Marketing Fund at any time. Upon termination of the Marketing Fund, the unused funds will either be returned to those that contributed the funds, or We will cease to collect new funds while We spend the remainder of funds within the Marketing Fund.
- discretion over: 1) the creative concepts, materials, endorsements and media used in connection with such programs; 2) the source of the Marketing or public relation efforts; 3) the placement, timing and allocation of such programs; and 4) the composition of all geographic territories and market areas for the development and implementation of such programs. The Marketing Fund can be operated through an entity separate from Us that has all of Our rights and duties relating to the Marketing Fund. We are not liable for any act or omission with respect to the Marketing Fund or otherwise that is consistent with this Agreement, or which is done in subjective good faith. The Marketing Fund may be used, in Our reasonable discretion, to reimburse Us for costs related to the administration of the Marketing Fund and Marketing efforts intended to benefit the System. We have the right to loan money to the Marketing Fund to cover any deficits. The Marketing Fund is not in the nature of a trust, fiduciary relationship or similar special arrangement, and We disclaim any such relationship.
- 10.1.2 <u>Use of Marketing Fund Fees.</u> We may use the Marketing Fund to offset a portion of direct costs to manage and maintain the Marketing Fund, Including the payment of staff salaries and other expenses for those groups who may be involved in Marketing Fund activities. We may receive payment for providing goods or services to the Marketing Fund. We reserve the right to use fees from the Marketing Fund to place Marketing in national or regional media. We are not required to spend any amount on Marketing directly in Your area or Territory, and We do not have any obligation to ensure that expenditures are or will be used equally in each region or that they will be equivalent to contributions to the fund by other franchisees operating in any geographic area. We make no representations that Marketing expenditures will benefit You or any other franchisee directly, on a pro-rata basis, proportionally, or at all. Any unused



Marketing funds in any calendar year will be applied to the following year's fund. You may request (in writing) an unaudited annual report of Marketing expenditures within 90 days of the end of each year.

- 10.2 <u>Local Marketing Requirement</u>. At this time, there is no requirement that You spend any amount on local marketing. However, We strongly recommend You spend the recommended minimum to Market locally as set forth in Section 5.3.2. Upon 60 days' written notice to You, We have the right to require local Marketing and to increase the amount. In addition, and upon request, You must submit an itemized report to Us documenting proof of expenditures for local Marketing in a form We may require.
- 10.3 <u>Sample Marketing and Promotional Materials</u>. We may provide You samples of Marketing materials developed by Us from time to time. In the event We develop such Marketing materials, You will receive one copy (digital or hard as determined solely by Us) at no cost to You. Additional copies will be made available at cost, plus 20%, plus shipping and handling.
- 10.4 <u>Your Obligations to Market</u>. Neither We nor You are restricted from Marketing in the Territory. You are not permitted to target or direct Market to customers in another franchisee's territory or in a territory of a company owned location.
- 10.4.1 <u>Development of Marketing</u>. You are not allowed to develop Marketing or promotional materials. Any future changes to this policy will be made in the Manuals.
- 10.4.2 <u>Marketing Compliance</u>. All Your Marketing and promotional activities must be done in strict compliance with Our Manuals and in good taste and must reflect favorably upon the brand and System. You shall participate in all Marketing, email, and other programs as developed by Us, Including the collection of Customer Data and participation in using and promoting apps, as developed by Us.
- (i) <u>Grand Opening Marketing</u>. You shall pay Us a grand opening marketing fee for_digital marketing materials and social media ad spend. In addition, You shall purchase other printed marketing materials, banners and/or signage from a third-party supplier. (See Exhibit "A-3").
- 10.5 <u>Internet and Social Media</u> You must strictly comply with Our policies and procedures regarding websites, Social Media sites, and Internet Marketing. We reserve the right to restrict Your use of these mediums in the future.
- 10.5.1 <u>Use of the Internet.</u> At this time, We control all Dirty Dough® Cookies-related websites, apps, and Social Media and will have exclusive control over other similar electronic media whether now or later developed. You are prohibited from use of or obtaining any domain name consisting of all or any part of the Marks, or that would be confusingly similar to all or any part of the Marks without Our prior written permission. You are prohibited from having a website or Social Media page that promotes Your Franchise Business. You may not engage in Marketing on the Internet, Including posting items/services on third-party resale or auction style websites, Including eBay, Craigslist, Amazon, or use of apps, without Our prior written permission. You may claim Yelp and Google Reviews pages specific to Your Premises and Franchise Business but must immediately provide Us with administrative access and passwords for any such accounts. You are required to manage online reviews for Your Franchise Business. We also have the right but not the obligation to manage all online reviews for Your Franchise Business. Currently, We do not charge a fee to maintain the Dirty Dough® Cookies website, but We have the right to do so in the future.



- In the future We may allow You to create and/or manage Social Media related to the brand. In the future We may allow You to create and/or manage Social Media for Your Premises and Franchise Business, but in such a case all Social Media must strictly comply with Our policies and procedures, and You will be required to provide administrative access and all current and accurate login and password information. You cannot change any login/password information without Our prior written approval, and You must supply Us with all changed/updated login/password information. We can alter, remove, or require that You alter or remove a post at any time. We reserve the right to restrict your use of social media at any time for any reason. Additionally, You must sign the Digital and Social Media Authorization for Assignment attached as Exhibit "A-9."
- 10.6 <u>Marketing Fund Council</u>. At Our discretion, We may create a Marketing Fund council that provides input for how the Marketing Fund is used. We may appoint franchisees to this council. This council serves only in an advisory capacity and has no operational or decision-making authority. We have the ability to make changes to this council or dissolve it at any time.

ARTICLE XI BREACH AND TERMINATION

11.1 <u>Default and Termination</u>. We may terminate this Agreement before the expiration of its term if You breach this Agreement and fail to cure, if curable. If curable, You must cure a default within the times set forth below after receiving notice of default. If the default is one which is incapable of cure, Termination is effective as of the date of the notice of default.

No Cure Period:

- A. <u>Insolvency</u>. You become insolvent or commit an act of bankruptcy or make a general assignment for the benefit of creditors or to an agent authorized to liquidate Your property or assets, or become or are adjudicated bankrupt, or voluntarily file a petition in bankruptcy or for reorganization.
- B. <u>Repeated Breaches</u>. You repeatedly breach (defined as three or more times during the term of this Agreement) the same or different conditions of this Agreement or the Manuals within a 12-month period.
- C. <u>Unauthorized Use</u>. You duplicate the System or use Our Confidential Information or Intellectual Property other than in connection with the operation of Your Franchise Business.
- D. <u>Public Safety</u>. Your maintenance or operation of Your Franchise Business results in a threat or danger to public health or safety.
- E. <u>Misrepresentations</u>. You make any material misrepresentations relating to the acquisition of the Franchise Business, or Your misrepresentation to customers, Including deception relating to the source, nature, or quality of goods sold or services provided.
- F. <u>Abandonment</u>. You abandon Your Franchise Business or You state or clearly demonstrate any intent not to operate the Franchise Business.
- G. <u>Unauthorized Transfer</u>. You transfer or attempt to Transfer all or any part of this Agreement, Your Franchise Business, or any material portion of the property associated with



Your Franchise Business, or an unapproved percentage of Your franchise entity, or You sublicense or attempt to sublicense to another any of the rights licensed to You hereunder, or You otherwise fail, refuse or neglect to obtain Our prior written consent or approval required hereunder.

- H. <u>False Reporting</u>. You knowingly or intentionally conceal revenues, maintain false books, or records, (Including purposely uploading or storing incorrect or incomplete information on a designated platform) or submit any false report or payment or otherwise defraud Us.
- I. <u>Crimes and Adverse Behavior</u>. You commit or are convicted of or plead guilty or no contest to, or enter into a plea in abeyance, stipulated order of continuance, or related agreement, to a felony, a crime involving moral turpitude, or You engage in any conduct or behavior that We believe is reasonably likely to have an adverse effect on the System, the Marks, the goodwill associated therewith, or Our interest therein; or You make disparaging remarks against Us, Our management, employees, the System, or Our brand to Our other franchisees or in a public forum, Including radio, television, newspapers, the Internet, or Social Media.
- J. <u>Unauthorized Competition</u>. You fail to comply with the covenant not to compete during the term of this Agreement or intentionally or recklessly disclose or use Our Confidential Information or Intellectual Property in violation of this Agreement.
- K. <u>Termination of Lease Agreement</u>. Your Lease for the Premises is terminated.
- L. <u>Illegal Drug Use/Intoxication on the Job</u>. You or Your officers, directors, members, managers or principals use illegal drugs or abuse prescription medication or refuse to submit to a drug test or if You are found on the Premises or any training intoxicated whether by use of alcohol, illegal or legal drugs.
- M. <u>Failure to Obtain Financing</u>. You fail to qualify for or fail to receive the necessary financing to open and operate Your Franchise Business.
- N. <u>Unauthorized Modification</u>. You modify in any degree by adding to or taking from or changing the contents, amounts, or flavor of any Recipe or other food items as well as using any substitute ingredients or procedures in violation of the Manuals or this Agreement.
- O. <u>Termination of Another Agreement</u>. Another agreement between Us or an affiliate of Ours and You or with an affiliate of Yours is terminated due to Your failure to cure any breach after notice, or for Your uncurable breach of such agreement.

24-Hour Cure Period:

P. <u>Health Code or Safety Violations</u>. You fail to cure a health code or safety violation within 24 hours of an inspection by Us or the applicable governmental agency except for threats to the public safety which may be cause for immediate Termination.

5-Day Cure Period:

Q. <u>Unauthorized Closure or Relocation</u>. Your Franchise Business is closed for a period of three or more consecutive business days or not open for the business hours as required under this Agreement for three or more business days in any 30-day period without Our prior



written approval, which consent will not be unreasonably withheld or delayed, or You move the location of Your Franchise Business Premises without Our prior written approval.

R. <u>Failure to Use or Provide Access to a Designated Account</u>. You refuse to use, or to enable, or to allow Us access to Your account for a designated platform or software, Social Media account, or a branded email account.

15-Day Cure Period:

- S. <u>Failure to Pay</u>. You fail to pay any Fee or an amount due to Us, any of Our affiliates, or other designated, approved or other suppliers or assigns, within the time specified for such payments by this Agreement, the Manuals or an agreement specifying the payment concerned.
- T. <u>Failure to Accurately Report</u>. You fail to accurately report or fail to submit any reports or records required under this Agreement or the Manuals.
- U. <u>Default Notice of Lease Agreement</u>. You receive a notice of default under Your Lease.
- V. <u>Act in Contravention</u>. You perform or undertake any action to undermine or circumvent this Agreement, the System, or Us.

30-Day Cure Period:

- W. <u>Other Breaches</u>. Except as otherwise provided herein, You fail to comply with any other provision of this Agreement or the Manuals.
- 11.1.1 <u>Adequate Assurance</u>. When reasonable grounds for insecurity arise with respect to the performance of Your obligations under this Agreement, We may demand adequate assurance of due performance, and until We receive such assurance, We may reasonably suspend any performance of Our obligations. Failure to provide Us with adequate assurances within 30 days, when properly demanded, will be considered a default of this Agreement for which no additional cure period will be granted.
- 11.2 <u>Event of Default.</u> In the event of any default by You, We will give You written notice of default specifying the default(s) and, if curable, state what You must do to cure the specific default(s) within the cure period. In the event of a default by You, all of Our costs and expenses arising from such default(s), Including reasonable legal fees and reasonable costs for Our employee's time related to the default(s) must be paid to Us by You within 10 days following Our demand for payment. We have the right to ACH Our estimated costs and expenses.

Notwithstanding anything to the contrary herein, We have the right, to be exercised in Our sole discretion, to grant You an extended period of time to cure. Any such extension will not be construed as a walver of Our rights in the future.

11.3 <u>Failure to Cure</u>. If You fail to cure any default within the time allotted, We may proceed to enforce any or all of the following non-exclusive remedies in accordance with this Agreement, and the pursuit of any one remedy will not be deemed an election or waiver by Us to pursue additional remedies:



- 11.3.1 <u>Actionable Claim</u>. Bring an action or claim for the balance of any monies due hereunder, Including penalties and interest as provided for in this Agreement and for all other damages sustained by Us as a result of Your breach of this Agreement. As part of any such action, We may accelerate and bring an action for the balance of any outstanding installment obligation due hereunder.
- 11.3.2 <u>Injunctive Relief</u>. Bring an action for temporary or permanent injunctions and orders of specific performance enforcing the provisions of this Agreement and otherwise stop You from engaging in actions prohibited hereby.
- 11.3.3 <u>Termination</u>. Terminate this Agreement and proceed to enforce Our rights under the appropriate provisions. Such Termination will be effective upon delivery of a notice of Termination to You without further action by Us.
- 11.3.4 <u>Other Remedies</u>. Seek any other remedy available to Us at law or in equity, Including lost profits.
- 11.4 <u>No Right of Termination</u>. You may not terminate this Agreement; however, some states may allow You to terminate as permitted by state law
- 11.5 Opportunity to Cure. Prior to taking any action against Us, You must first give Us 60 days' prior written notice and an opportunity to cure any alleged act or omission. If such act or omission cannot be cured within such 60-day period, and We diligently make continuing efforts to attempt to cure such alleged act or omission, You must give Us such additional time as is reasonably necessary to cure.

ARTICLE XII TERMINATION AND EXPIRATION

- 12.1 Upon Termination of this Agreement for any reason, You immediately cease to be Our franchisee. To be compliant with Your Termination obligations, You shall sign a termination agreement in a form provided and acceptable by Us and You and must:
- 12.1.1 <u>Payments Due</u>. Immediately pay for all product purchases, Fees and other obligations owed or accrued to Us, Our affiliates or designated suppliers.
- 12.1.2 <u>Cease Use</u>. Not hold Yourself out as a Dirty Dough® Cookies franchisee or business and immediately and permanently cease to Market or in any way use Our Intellectual Property or Confidential Information provided by or licensed to You by Us or in any way connected with the Franchise Business or System.
- 12.1.3 <u>Trade Secret and Confidential Information and Products</u>. Except as provided below in Paragraph 12.1.7, within five days, You must demonstrate with video proof sent to Us that You have permanently destroyed all information and/or products that We deem trade secret or confidential or in the alternative, provide proof to Us that have sold such products or information to Us or another System franchisee.
- 12.1.4 <u>Disassociation</u>. Within 10 days of Termination, take all necessary steps to disassociate Yourself from the System and Your Franchise Business, Including the removal of signs, destruction or removal of letterheads, Marketing material, the change of Your Franchise Business telephone listings, telephone numbers, email addresses, URLs, Internet websites, and any other property that bears Our brand or is affiliated with Our brand. All such property and



listings, excluding Your operating assets and inventory that are associated with and considered part of Our brand, Intellectual Property, and System revert back to Us upon termination of this Agreement. If any of Your Operating Assets and inventory bear Our brand and Marks to Our System, You must take the steps necessary to dissociate it all from Our brand, Marks, and Intellectual Property. You shall assist Us to assign, transfer, or disconnect (at Our option) the telephone listing, telephone numbers, Marketing accounts, email addresses, URL's, Internet sites, web pages, and Social Media to Us. If You fail or refuse to do so, the telephone company, URL and hosting companies, and other listing agencies may accept this Agreement as evidence of Our exclusive rights in and to such telephone number(s), Internet websites, URL's, email accounts, and Social Media and listing and its authority to direct their transfer. You hereby appoint Us as Your attorney-in-fact for the above transfers, which appointment is coupled with an interest. You must not identify any present or future business owned or operated by You as having been in any way associated with Us or the System.

- 12.1.5 <u>Cancel DBA</u>. Within 10 days of Termination, take such action as will be necessary to amend or cancel any assumed name, fictitious or business name or equivalent registration, which contains any Mark of Ours or in any way identifies You as being affiliated with Our System.
- 12.1.6 <u>Notify Suppliers; Communication with Customers</u>. Immediately notify all suppliers, utilities, creditors and concerned others that You are no longer affiliated with Us or the System and provide proof to Us of such notification. All communications with customers and clients of the Franchise Business must be pre-approved by Us, and We can require that all such communication be handled by or through Us. We also have the right to communicate directly with all customers and clients of the Franchise Business.
- 12.1.7 <u>Return Materials</u>. At Your cost, permanently delete electronic copies and return to Us by first class prepaid United States Mail, (Including originals and any copies) physical copies of Our Manuals, all training materials, Marketing and promotional aids and materials, and all other printed and electronic materials and any other Confidential Information obtained by You from Us pertaining to the operation of Your Franchise Business.
- Operating Assets or assume Your Lease upon Termination, then You shall alter, modify and change both the exterior and interior appearance of the Premises to Our satisfaction, so that it will be easily distinguished from a Dirty Dough® Cookies business and shall cease using the signs, décor, displays, advertisements, promotional materials and the like that are unique or distinctive to the System. In the event You fail to modify Your Premises, You will be charged \$100 per day or \$1,500, whichever is more, and We may hire a third-party or use Our own personnel to de-identify Your unit and/or to carry out any other obligations on Your behalf.
- 12.1.9 <u>Customer Data</u>. To the extent We do not have access, provide Us with (and then permanently destroy) the Customer Data for all current, prior and expectant customers of the Franchise Business.
- 12.1.10 <u>Evidence of Compliance</u>. Otherwise, furnish evidence satisfactory to Us or in the manner required by Us of Your full compliance with this Section 12.1 within 30 calendar days after the Termination of this Agreement or on the timeline We may provide at Termination.
- 12.1.11 <u>Gift Card & Customer Reimbursement Fee</u>. Upon Termination, You must provide Us with an accounting and list of all outstanding gift cards, prepaid services, and gift certificates as of the date of Termination, and You shall refund all customer gift card, gift



certificates, and prepaid services amounts as required under Your state's applicable laws. In the event We are required to or elect to provide those prepaid services to any customer, You shall pay Us the amount of the service or reimbursement, plus a Fee in each instance for Our time. Additionally, to the extent You do not reimburse the customer, You must reimburse Us the amount of unredeemed customer gift cards and gift certificates purchased from You. Subject to state law.

- 12.1.12 <u>Financial Inspections</u>. You must provide Us with access to all Your financials, books, and other accounting records for 12 months following the date of Termination.
- 12.1.13 <u>Pay Damages and Costs</u>. Pay to Us all costs, damages and expenses, Including post-term expenses and reasonable attorney's fees incurred by Us to enforce the provisions of this Agreement, Including attorneys' fees and costs incurred by Us in obtaining injunctive or other relief to enforce any provision of this Agreement. All post-termination non-compliance fees and costs will be deducted from the Deposit and You must pay to Us all amounts in excess of the Deposit within 30 days of Our invoice to You. At Your expense, We may hire a third-party or use Our own personnel to carry out Your post-termination obligations.
 - 12.2 Upon Termination of this Agreement, for any reason:
- 12.2.1 <u>No Compensation</u>. No payment is due to You from Us or any source on account of any goodwill, intangible assets or other equity claimed by You arising from or relating to Your operation or ownership of Your Franchise Business, or otherwise. All goodwill connected in any way with Your Franchise Business or the System belongs now and, in the future, exclusively to Us.
- 12.2.2 <u>No Refund</u>. No Fees, charges, or other payments of any kind from You to Us are refundable in whole or in part.
- 12.2.3 <u>No Equity</u>. You will have no equity or other continuing rights to use the System, Confidential Information, Intellectual Property or goodwill of the Franchise Business.
- 12.3 <u>Survival of Provisions</u>. All of the provisions of this Agreement, which by implication apply following the Termination of this Agreement are enforceable following Termination of this Agreement, Including Your obligation to indemnify Us and pay all amounts owed and Your obligations to dissociate from Our brand. You shall also still be bound to the confidentiality, brand protection, indemnification, non-disparagement, non-competition, non-solicitation, arbitration and dispute resolution, choice of forum and law selections clauses and other restrictions of this Agreement that have terms or duties owing after Termination of this Agreement.
- 12.4 <u>Make Premises Available to Us.</u> In addition to those obligations set forth above, upon Termination, You must make the Premises and computer systems accessible and available for Us to examine and verify Your compliance with Your post-termination obligations, and/or to operate a New Business at the Premises (see Paragraph 13.1.1(i) below) if We, in Our sole discretion, choose to do so. If You fail to make the Premises available to Us, You will be assessed a Fee for the expense incurred by Us to enforce Our rights under this paragraph.
- 12.5 <u>Liquidated Damages</u>. If this Agreement is Terminated, other than for non-renewal or mutual termination, in addition to other remedies available under this Agreement, We will be entitled to liquidated damages, not as a penalty, and solely to compensate Us for lost future royalties. You and We recognize the difficulty of calculating damages caused by lost future royalties but nevertheless recognize and agree that such damages could arise, and You and We



hereby agree to the formula listed on Exhibit "A-3" as a compromise on the calculation of such damages. This is in addition to those fees set forth above in Section 12.1. This amount is payable within 10 days of termination.

- 12.5.1 <u>Additional Equitable Remedies</u>. The amounts contemplated under Section 12.5 do not represent a price for the privilege of not performing nor does the payment represent an alternative manner of performance. Accordingly, as a purely liquidated damages provision, Section 12.5 does not preclude and is not inconsistent with a court granting Us specific performance, other damages set forth herein, or any other equitable remedies, such as an injunction, to prevent future breaches.
- 12.6 <u>Cumulative Rights</u>. Our rights provided above are cumulative and in addition to any other right or remedy available at law or in equity.

ARTICLE XIII PURCHASE OPTION

- 13.1 <u>Purchase Option</u>. Upon Termination of this Agreement, You hereby grant to Us the right to:
- Acquisition of Assets. Acquire, in Our sole discretion, all or any part of Your Operating Assets at the then-existing fair market value of such item or items as of the date of Termination of this Agreement. You hereby grant Us permission to speak directly with Your landlord and other creditors, Including suppliers, banks, the IRS and state agencies (and You will cooperate with Us to facilitate such communication), regarding any loans and/or liens or obligations that would encumber Your Operating Assets. If the fair market value is not agreed to by the parties, the fair market value will be established by an independent appraisal. The appraisal will be done at Our expense by an appraiser selected by Us. No goodwill will be considered associated with Your Franchise Business or said items. We must exercise this option within 60 days of such Termination or within 15 days of the establishment of the price of the Operating Assets, whichever is later ("Option Period"), by giving written notice to You of Our intent to exercise Our option to purchase. We have the right to off-set any amounts You owe to Us against the purchase price. If We have not notified You of Our election to exercise this option within the Option Period, it will be conclusively presumed that We have elected not to exercise Our option, and You are then free to sell or transfer such assets to any person or entity on such terms as You may so choose, so long as the Operating Assets have been de-identified as set forth herein. If any of the Operating Assets are subject to liens or taxes, We may withhold a portion of purchase price to pay off such lien or taxes. We may also withhold 25% of the purchase price for 90 days to ensure that all other liabilities affecting the Operating Assets are paid.
- i. Interim Management During Option Period. We have the right, but not the obligation, to use Your Operating Assets and Premises (if the Lease is still in effect, and in such case, We will obtain this right from the landlord as applicable), and to hire Your personnel to operate the business during the Option Period. You and We understand and agree that We will not be operating Your Franchise Business during this time, but We will be using Your Operating Assets and the Premises to operate Our own, separate Dirty Dough® Cookies business ("New Business") in order to keep the business open during the Option Period. We will pay You the fair market rental value for such use of the Operating Assets as agreed, but not exceed fair market rental value, and if we use the Premises, We may pay rent directly to the landlord for Our use of the Premises. For any inventory or other items sold or consumed by Us during the Option Period, We will reimburse You the actual price You paid for such items. You will be required to cooperate to provide Us with all pertinent information regarding Your Franchise Business, as We deem



necessary. We will establish Our own bank accounts and other accounts for the New Business during the Option Period. During the Option Period, We will pay all costs and expense of the New Business, and all proceeds of the New Business will belong to Us. We will not assume any of Your debts or obligations, and We will not be responsible to pay any debts or expenses incurred by Your Franchise Business. You shall indemnify and hold Us harmless from and against any and all claims, damages, losses, deficiencies, liabilities and costs, Including attorney's fees, of or related in any way to the Franchise Business prior to Us operating the New Business at the Premises, and We will indemnify and hold You harmless from and against any and all claims, damages, losses, deficiencies, liabilities and costs arising solely from the New Business. If necessary, We have the right to change the locks and exclude You from the Premises during this Option Period.

- 13.1.2 <u>Assumption of Lease</u>. We have the right, during the Option Period, to assume Your Lease under the provisions of Section 4.2 above.
- 13.1.3 <u>Warranties</u>. The purchase contract for the Operating Assets, as set forth in Paragraph 13.1.1 above, will include standard representations, warranties, covenants and indemnities from You as to the Operating Assets being purchased, Including warranties of good title, absence of liens, compliance with laws, absence of defaults under contracts, litigation and tax compliance.

ARTICLE XIV SALES OR TRANSFERS OF THE FRANCHISE

- 14.1 <u>Our Right of Assignment</u>. This Agreement and all rights and obligations hereunder are fully assignable and transferable, whether in part or whole, by Us, and if so assigned or transferred, will be binding upon and inure to the benefit of Our successors and assigns. We may be sold, or We may sell any part of or all of Our Confidential Information and/or Intellectual Property or other assets to a competitive or other entity. In addition, We may go public, may engage in a private or other placement of some or all of Our securities, may merge, acquire other entities or assets which may be competitive with the System or not, be acquired by a competitive or other entity, and may undertake any refinancing, leveraged buy-out or other transaction, Including arrangements in which: 1) the territories, locations or other facilities are, or are not, converted to the System or other format or brand (Including using the System or Marks), or 2) the System is converted to another format or brand, maintained under the System or a different system. You waive all claims, demands and damages with respect to any transaction or otherwise allowed under this Section or otherwise. You shall fully cooperate with any such proposal, merger, acquisition, conversion, sale or financing.
- 14.2 <u>No Assignment by You Without Our Approval</u>. This Agreement is personal as to You and is being entered into in reliance upon and in consideration of Your qualifications and representations, Including representations of all current owners. Therefore, none of Your Franchise Assets may be Transferred in any manner by You or anyone else unless Our prior written approval is obtained. You must follow and strictly comply any policies We may develop related to Transfer of all or any part of Your ownership or this Agreement. You shall provide Us with all documentation relating to the Transfer of Your Franchise Business. Said approval will not be unreasonably withheld but will be conditioned upon Our satisfaction with the qualifications set forth in Section 14.3 below of the proposed transferee and its owners and officers.
- 14.2.1 <u>Transfers to Competitors Prohibited</u>. You cannot Transfer any part of Your Franchise Assets to a Competing Business without Our written permission. Any such Transfer without Our written approval is considered void ab initio.



- 14.3 Qualifications of Transferee. In determining the acceptability of the proposed transferee, We will consider, among other things, Our then-current standards for new franchisees, Including the net worth, financial resources, credit worthiness, health, background, training, personality, reputation, and business experience of the proposed transferee, Including that of the new Operating Principal, the terms and conditions of the Transfer, and any circumstances that would make the Transfer not in the best interests of Us or the System, Including the proposed purchase price. We may meet and candidly discuss all matters relating to Your Franchise Business with the potential transferee, Including providing a proposed transferee with corrected information or information in addition to what You have provided, including providing a proposed transferee with corrected information in addition to what You have provided. In no case will You or a proposed transferee rely on Us to review or evaluate any proposed Transfer. Neither We nor Our affiliates will be liable to You or the transferee or any other person or entity relating to the Transfer, and You shall indemnify and hold Us harmless from any liability whatsoever relating thereto.
- 14.4 <u>Application for Transfer</u>. You must provide Us written notice if Your Intent to Transfer prior to listing or offering part of the Franchise Assets for sale, and upon any proposed Transfer of Your Franchise Assets, or any interest therein. You must also submit to Us an application in the form specified by Us on behalf of the proposed transferee.
- 14.5 <u>Transfer Fee</u>. As a condition of Our approving the Transfer of any part of Your Franchise Assets, You shall pay Us the non-refundable Transfer Fee listed in Exhibit "A-3" at the time of the approved Transfer.
- 14.6 <u>Minority Interest Transfers</u>. If a proposed Transfer is for less than 40% of Your entity (cumulative during the term of this Agreement), there will be no transfer Fee, but You must reimburse Us Our legal and corporate fees incurred related to the Transfer, and We will not be entitled to exercise Our right of first refusal set forth in Section 14.9 below. However, all guarantors will remain guarantors to this Agreement unless otherwise released by Us in Our sole discretion. Each ownership certificate of a corporation or limited liability company franchisee must have endorsed upon its face that a Transfer is subject to the restrictions of this Agreement. Additionally, any new Operating Principal and other applicable personnel are required to complete the necessary training as required by Us. Any new owner, with an ownership of 20% or more in Your Franchise Business or Your entity must personally guarantee the obligations of this Agreement.
- 14.7 <u>Involuntary Transfers Void</u> Involuntary Transfers of this Agreement by You, such as by legal process, are not permitted are not binding on Us, and are grounds for termination of this Agreement. Using this Agreement as security for a loan, or otherwise encumbering this Agreement is prohibited unless We specifically consent to any such action in writing prior to the proposed transaction. You cannot grant a sub-franchise under this Agreement nor to otherwise seek to license or permit others to use this Agreement or any of the rights derived by You under it. Any attempt to Transfer any part of the Franchise Assets whether or not binding on Us, will be grounds for the immediate Termination of this Agreement unless such Transfer is authorized in writing by Us.
- 14.8 <u>Conditions of Transfer</u>. Prior to the effective date of Transfer of any part of Your Franchise Assets and as a condition for Our approval of any Transfer:
- 14.8.1 <u>Compliance</u>. You must be in full compliance with this Agreement and not be in default hereunder, and you must comply with Our policies related to a Transfer as set forth in the Manuals. All accounts payable and other monetary obligations to Us or Our affiliates or



subsidiaries must be paid in full. You must have submitted to Us all required reports, financial statements, and other documents.

- 14.8.2 <u>Written Proposal</u>. The terms and conditions of the proposed Transfer must be provided in writing to Us within the time frames specified by Us. The price and other proposed terms of the Transfer must not, in Our reasonable business judgment, have the effect of negatively impacting the future viability of the Franchise Business.
- 14.8.3 <u>Assumption of Obligations</u>. All Your obligations in connection with Your Franchise Assets must be assumed by the transferee, Including assuming Your Lease obligations, if applicable, in a form acceptable to Us.
- 14.8.4 <u>New Franchise Agreement</u>. At Our discretion, the transferee must sign the then-current form of the Franchise Agreement for a term equal to the remaining term of this Agreement, the remaining term of the existing Lease, or the term set forth in the then-current franchise agreement and fully upgrade and refurbish the Franchise Business and Premises to the level required of new franchisees.
- 14.8.5 <u>Training</u>. The transferee and any new Operating Principal and other required personnel must pay for and complete the training or certification program required of new franchisees. See Exhibit "A-3." The transferee is also responsible for the cost of travel, food and lodging for the transferee's attendees. You and the transferee and We must coordinate on the timing of training, so that the Franchise Business does not have a gap in properly trained management.
 - 14.8.6 Transfer Fee. You shall pay the Transfer Fee set forth on Exhibit "A-3."
- 14.8.7 <u>General Release</u>. You must execute a general release releasing Us of any claims You may have against Us.
- 14.8.8 <u>Gift Cards; Pre-paid Services</u>. You must provide Us and the proposed transferee, with an accounting and list of all outstanding gift cards, gift certificates, and pre-paid visits as of the date of Termination, which must be taken into account and handled as part of the transfer agreement.
- 14.8.9 <u>Survival of Covenants.</u> Your non-competition, indemnity and confidentiality obligations, the provisions relating to dispute resolutions, and other applicable terms of this Agreement, will survive any Transfer.

14.9 First Right of Refusal.

14.9.1 <u>Right of First Refusal</u>. You hereby grant to Us the right of first refusal to purchase Your Franchise Assets on such terms and conditions specified in a bona fide written offer from a third-party, who would satisfy the criteria for approval under Section 14.3. You must notify Us in writing of the terms and conditions of the Transfer, Including the Franchise Assets proposed to be Transferred, the purchase price or other consideration, any creditor financing terms being extended by You, the date of the proposed Transfer, and all other pertinent provisions of the proposed Transfer. In addition, a copy of any contract, agreement, memorandum of sale, deposit receipt, letter of intent and the like, must also be forwarded to Us as soon as it is signed by You. Following receipt of all pertinent data and documents concerning the proposed Transfer, and data concerning Your Franchise Business, financials, employee information, and lease information, We will have 60 days in which to advise You in writing of Our election to have the



Franchise Assets transferred and assigned to Us on the terms and conditions agreed to by the prospective transferee. Should We elect to purchase the Franchise Assets proposed to be Transferred pursuant to Our right of first refusal, You and We agree to cooperate to accomplish the Transfer as set forth in the provisions submitted to Us by You, provided that the date for the completion of the Transfer can be extended at Our option for up to 30 days beyond the date originally indicated for the completion of the Transfer in order to allow the completion of the transaction in a manner more convenient to Us. We have the right to off-set any amounts You owe to Us against the purchase price.

14.9.2 <u>Non-Election of Rights.</u> If We do not elect to purchase the Franchise Assets proposed to be Transferred, You may complete the proposed Transfer on the terms and conditions set forth in Your notice to Us subject to Our right to approve the proposed transferee and the terms and conditions set forth under this Article. However, if there are any material changes in the terms and conditions of the proposed Transfer, and any of those changes are more favorable to the purchaser, You must notify Us of the changes in writing, and We will have an additional 10 days to elect to purchase the Franchise Assets proposed to be Transferred or the revised terms and conditions. Additionally, if Your Franchise Business is not Transferred to such third-party within five months after We elect not to purchase the Franchise Assets, You must reoffer the Franchise Assets to Us before You may Transfer to an approved third-party. We have no obligation to purchase Your Franchise Assets.

14.10 <u>Death or Incapacity and Interim Management</u>. In the event of the death or incapacity of an individual franchisee, or the majority owner of the franchisee entity (the term "incapacity" means any physical or mental infirmity that prevents the person from performing the obligations under this Agreement: (i) for a period of 60 or more consecutive days, or (ii) for 100 total days during a calendar year), the heirs or personal representative will have the right to continue Your Franchise Business; provided that within a reasonable time (not more than 160 days) after such death or incapacity (or such longer period required by the laws of the state where Your Franchise Business is located) the heirs appoint a representative to act in behalf of the heirs in all matters pertaining to Your Franchise Business as provided for new Operating Principals, designated managers, or franchisees, Including the requirements to have the representative trained and accepted by Us in accordance with Our standards. The heirs or personal representatives, instead of operating Your Franchise Business themselves under the foregoing procedures may choose to Transfer Your Franchise Business. If a decision to Transfer is made, the Transfer procedures explained above will apply. If We are required to operate Your Franchise Business for a time due to Your death or incapacity, or as otherwise allowed under this Agreement, the provisions of Paragraph 6.2.3 above will apply.

14.11 <u>Assumption of Obligations</u>. The parties agree that in the event a court of competent jurisdiction orders You to Transfer to Your spouse, domestic partner, or a third-party all or any part of Your Franchise Assets, such an order will constitute a Transfer of this Agreement and will cause the transferee to be subject to all of the terms and conditions concerning Transfers set forth herein above.

14.12 <u>Acquisitions</u>. If We receive an offer to acquire a majority of the franchises or to purchase a majority of Our assets or stock, or to merge or go public or similar transactions, We have the option, but not the obligation, to purchase all of Your rights and interests in and under this Agreement and Your Franchise Business at fair market value payable on terms as reasonably negotiated. The purchase price will not Include compensation for any successor term or goodwill. All goodwill belongs to Us. If the purchase option is exercised, You must execute a general release to Us. We will close Our purchase and make payment within 60 days after closing or as soon thereafter as reasonably practical.



14.13 <u>Transfer for Convenience of Ownership</u>. If You are an individual or individuals, You may Transfer this Agreement without paying a fee to Us, to a corporation or limited liability company formed for the convenience of ownership (without pay a transfer fee to Us), provided You: 1) give Us at least 15 days' prior written notice of the proposed Transfer; 2) send Us copies of the entity's charter documents, bylaws (or operating agreement), ownership interests of the owners, and similar documents, as We may request for Our review; and 3) own all equity and voting securities of the corporation or limited liability company. Additionally, You and the new entity must sign an assumption and assignment agreement in the form required by Us, whereby the transferee assumes all obligations of this Agreement, and all personal guarantors remain as personal guarantors after the Transfer. Furthermore, Your Operating Principal must continue in the same capacities as before the Transfer.

ARTICLE XV RELATIONSHIP OF THE PARTIES

- 15.1 Independent Contractors. In all matters, You are an independent contractor. Nothing in this Agreement or in the franchise relationship constitutes You as Our partner, agent, employee, joint employer, or joint venturer with Us, and this Agreement does not create a fiduciary relationship between You and Us. Neither party is liable for the debts, damages, losses, liabilities, taxes, duties, obligations, defaults, compliance, intentional acts, wages, negligence, errors or omissions of the other. You are solely responsible for the management and control of Your Franchise Business, Including its daily operations, managing and directing employees, contractors, and salespersons, and paying all costs and expenses of Your Franchise Business. The parties agree not to hold themselves out by action or inaction contrary to the foregoing and to indemnify each other for any liability, cost or expense, Including attorney's fees, incurred by either of them for any act, omission, finding or result to the contrary. None of Your employees will be deemed to be Our employee and each employee will be so notified by You. Neither party has the authority to act as agent for the other, and neither You nor We guaranty the obligations of the other or in any way become obligated for the debts or expenses of the other unless agreed to in writing. You must post promptly and maintain any signs or notices specified by Us or by applicable law indicating the status of the parties as described above.
- 15.2 Indemnification. You shall defend, indemnify, and hold Us harmless from any and against any and all losses, liabilities, damages, costs and expenses whatsoever, Including reasonable attorney's fees arising out of or related to, or in any way connected with You or Your acts, errors, negligence, or omissions in the operation of Your Franchise Business or Your Franchise Business generally, Including any allegation that You are Our employee, or that We are a joint employer or otherwise responsible for the acts or omissions relating to Your employees, and other laws regarding public accommodations for persons with disabilities. You agree not to file any crossclaim or counter-claim against Us for any action made by a third-party or make any response that would infer or represent We are liable as a party or defendant to any action that is contrary to this Section. This Agreement and the terms in this Article and related terms in this Agreement is a bona fide defense to any claim You may contradictorily make against Us as to Our liability or proportion of fault. You shall bear all costs to defend Us from claims raised by a thirdparty. If We incur any costs or liabilities to any third-party, You shall reimburse Us for costs associated with Our defense to those claims. We have the right to defend any such claim against Us by employing counsel of Our choice, subject to full reimbursement of all legal fees by You. We will use Our reasonable efforts to cooperate with You in any litigation, judicial or administrative proceeding to avoid duplication of time, effort or expenditure to the greatest extent possible without compromising Our interest in such matter. You are not required to indemnify Us for liability caused by Our willful misconduct or gross negligence. This indemnity will continue in full



force and effect subsequent to and notwithstanding the Termination of this Agreement.

ARTICLE XVI COVENANT NOT TO COMPETE

- In-Term Covenants. During the term of this Agreement and for any extensions or Successor Franchises hereof, You, Your Principals, and Your Immediate Family shall not, directly or indirectly, be a Participant, assist, or serve in any other capacity whatsoever or have any interest in a Competing Business in any capacity, territory, or location, except with Our prior written consent. Your Principals must each execute the standard Brand Protection Agreement for Principals attached as Exhibit "A-4," and Your personnel must execute Our Management Employee Brand Protection Agreement (see Exhibit "A-5"). (Although We provide You this form, You are responsible to conform it to the laws and regulations of Your state.) A copy of all such agreements must be promptly delivered to Us within 10 days of hiring of the respective employee.
- 16.2 <u>Confidentiality.</u> During the term of this Agreement and any extensions or Successor Franchises hereof, and at any time after the Termination of this Agreement, You and those over whom You have control shall not make any unauthorized disclosure or use of Our Confidential Information or Intellectual Property other than as authorized by this Agreement. You shall adopt and implement all reasonable procedures to prevent unauthorized use or disclosure of the Confidential Information and Intellectual Property, which procedures may be prescribed from time to time by Us. You shall never contest the validity of Our exclusive ownership of and rights to Our Intellectual Property or Confidential Information. Without limiting the foregoing, any communication (email, paper, etc.) from Us to You cannot be forwarded to another email account You control or share, or forwarded to anyone, Including employees, without first receiving Our express written consent.
- 16.2.1 <u>Prior Disclosures</u>. You acknowledge and agree that prior to the execution of this Agreement, You may have received information and met and corresponded with Our principals, agents and/or representatives and that any such Confidential Information obtained or received is subject to the protection and restrictions of this Agreement.
- 16.2.2 <u>Confidentiality of this Agreement</u>. You agree that all terms of this Agreement that are not otherwise made public under franchise disclosure laws will remain confidential, and You will not make any public announcement, issue any press release, publicize, make any confirmation of statements made by third parties concerning the terms of this Agreement, or make any other disclosures without Our prior written consent. It is agreed and understood that You may disclose the confidential terms of this Agreement only to Your professional lenders and advisors.
- 16.3 <u>Post-Term Covenants</u>. Upon Termination of this Agreement and for a continuous, uninterrupted period of three years thereafter, You, Your Principals, and Your Immediate Family shall not, directly or indirectly, be a Participant, assist, or serve in any other capacity whatsoever or have any interest in or assist any person or entity in any Competing Business within Your Territory or within 25 miles of Your Territory or within 25 miles of the territory of any Dirty Dough® Cookies business operation at the time of Termination of this Agreement.
- 16.4 <u>Non-Solicitation of Customers; Non-Disparagement.</u> During the term of this Agreement and for three years after the Termination of this Agreement, You, Your Principals, and Your Immediate Family shall not, directly or indirectly, contact any customer serviced by the Franchise Business, a prospective customer, or any former or then-current customer of Ours (with whom You had contact during the term of this Agreement) for the purpose of soliciting any such



customer to a Competing Business. Additionally, You agree not to in any way, form, or medium, disparage Us, the System, or Our officers, owners, partners, directors, members, managers, representatives, agents or employees. For clarity, a "prospective customer" does not mean any possible customer. It means a potential customer who has been engaged in some way, or has provided some personal information, or has elected to receive some communication, but who has not yet done business to be considered an actual customer.

- Termination of this Agreement and apply regardless of whether this Agreement was Terminated by lapse of time, by default of either party, or for any other reason. In addition to other remedies available to Us, in the event You violate a non-competition and/or non-solicitation covenant, the applicable non-competition or non-solicitation period will be tolled for the period of Your violation. You shall also pay Us liquidated damages of \$500 per day for each Competing Business, plus Our then-current royalty rate for all Gross Sales from the Competing Businesses for violation of Sections 16.1 and 16.3. These liquidated damages do not represent a price for the privilege of not performing nor does the payment represent an alternative manner of performance. This Section does not preclude and is not inconsistent with a court granting Us specific performance or any other equitable remedies, such as an injunction, to prevent future breaches.
- 16.6 Acknowledgement of Harm. You acknowledge that Your violation or breach of the covenants and provisions of this Article is likely to cause substantial and irreparable harm to Us and the System. You agree that the restrictions contained in this Agreement are reasonable and necessary for Our protection and the protection of other franchisees in the System, and that the existence of any claims You may have against Us, whether or not arising from this Agreement, will not constitute a defense to Our ability to enforce the covenants set forth in this Article.
- 16.7 <u>Our Remedies</u>. If the post-term restrictions of this Article are unenforceable or are reduced to a level which We, in Our reasonable business judgment, find unacceptable, You shall, in addition to any other remedies available to Us, for a period of two years from the date of Termination of this Agreement, pay Us a fee of one-half of the royalties and Marketing Fees that would be payable if the business in question was a Franchise Business.
- 16.8 <u>Enforceability</u>. It is the desire and intent of the parties to this Agreement that the provisions of this Article be enforced to the fullest extent permissible under applicable laws. If any of the restrictions of this Article are determined to be unenforceable because of duration, scope or coverage or otherwise, then We have the right in Our sole discretion to reduce the scope of any covenant set forth above or any portion thereof, without Your consent, effective immediately upon receipt by You of written notice thereof; which modified covenant will be fully enforceable notwithstanding any other provision of this Agreement.
- 16.9 <u>Breach of Non-Competition</u>. You and We recognize the difficulty of calculating damages caused by Your breach of Your non-competition obligations and agree that such damages could arise, and You and We hereby agree to the following as a compromise on the calculation of such damages. If You operate a Competing Business in violation of this Agreement, in addition to any other remedy We may have under this Agreement and under law, You shall pay Us the damages Fee listed on Exhibit "A-3."
- 16.10 <u>Additional Equitable Remedies</u>. The amount contemplated under Section 16.8 does not represent a price for the privilege of not performing nor does the payment represent an alternative manner of performance. Section 16.8 does not preclude recovery for damages for other breaches of this Agreement and is not inconsistent with a court granting Us specific performance or any other equitable remedies, such as an injunction, to prevent future breaches. Additionally,



We have the right to automatically debit by EFT or other electronic withdrawal means, Your bank account for the amounts payable to Us under Section 16.8.

ARTICLE XVII DISPUTE RESOLUTION

- 17.1 <u>Quick Resolution</u>. You and We understand that there is always a possibility of differences of opinion or other disagreements in any business relationship and agree that it is important to resolve any Disputes amicably, quickly, inexpensively, and professionally and to return to business as soon as possible.
- 17.2 <u>Manner of Handling Disputes</u>. In the event any Dispute arises between Us and You in connection with, arising from, or with respect to, any provision hereof, the relationship created herein, or the validity of this Agreement or any provision hereof, or the offer and sale to You, such Dispute will be:
- 17.2.1 <u>Face-to-Face Meeting</u>. First discussed in a face-to-face meeting between You and Us in Salt Lake City, Utah, or at Our then-current headquarters, within 30 days after either You or We give written notice to the other proposing such a meeting. We have the right, in Our sole discretion, to waive this requirement.
- 17.2.2 <u>Mediation</u>. If, in the opinion of either You or Us, the face-to-face meeting has not successfully resolved such Dispute, and if desired by either You or Us, the Dispute will be submitted to non-binding mediation before Franchise Arbitration and Mediation Services ("FAM") or as otherwise mutually agreed. The mediation will be conducted exclusively in Salt Lake City, Utah. On election by either party, arbitration as provided below may proceed forward at the same time as mediation. The mediator will be disqualified as a witness, consultant, expert, or counsel for any party with respect to the Dispute and any related matters.
- 17.2.3 <u>Arbitration</u>. If in the opinion of either You or Us the mediation has not successfully resolved such matters, at the request of either You or Us, the Dispute will be submitted for arbitration to the offices of the American Arbitration Association in accordance with its commercial arbitration rules in effect. All arbitration hearings will be conducted exclusively in Salt Lake City, Utah. The arbitrator will have the power and jurisdiction to decide such dispute solely in accordance with the express provisions of this Agreement. The arbitrator will render a written opinion setting forth the facts found, law applied, and reasons for the decision.
- (i) <u>Arbitration Procedures</u>. In any arbitration, the parties will be entitled to specific performance of the obligations under this Agreement. The arbitrator may award or otherwise provide for temporary restraining orders, preliminary injunctions, injunctions, attachments, claim and delivery proceedings, temporary protective orders, receiverships and other pre-judgment, equitable and/or interim relief as appropriate pending final resolution by binding arbitration of a Dispute, as well as in connection with any such final resolution, and may issue summary orders disposing of all or part of a Dispute at any point. Each party consents to the enforcement of such orders, injunctions, etc., by any court having jurisdiction. Offers and/or other communications made in connection with, or related in any way to, mediation, possible settlement or other resolution of a Dispute will not be admitted into evidence or otherwise used in connection with any arbitration or other proceeding, and any arbitration award in violation of this provision will be vacated by the arbitration appeal panel (described below) and/or any court having jurisdiction. The arbitrator will have the power to order compliance with such discovery procedures, as well as assess sanctions for non-compliance with any order. Discovery will be controlled by the arbitrator and will be permitted to the extent set out in this Paragraph. Each



party may submit in writing to the other party, and the other party will respond, to a maximum of any combination of 25 (none of which may have subplots) of the following: interrogatories, demands to produce documents, and requests for admission. You and We are also entitled to take the oral deposition of one individual of the other party. Additional discovery may be permitted upon mutual agreement of the parties or at the discretion of the arbitrator if petitioned by either party. The arbitrator, and not a court, will decide any questions relating in any way to the parties' agreement or claimed agreement to arbitrate, Including a claim for fraud in the inducement or otherwise. Each participant must submit or file any Dispute that would constitute a compulsory counterclaim (as defined by the applicable rule under the Federal Rules of Civil Procedure) within the same proceedings as the Dispute to which it relates. Any such Dispute that is not submitted or filed in such proceedings will be forever barred. The award and findings of the arbitrator will be conclusive and binding upon all parties hereto and the judgment upon the award may be entered in any court of competent jurisdiction.

- (ii) <u>Individual Disputes</u>. All Disputes must be conducted and resolved on an individual basis only and not on a class-wide, multiple plaintiff or similar basis between You and Us and will not be consolidated with any other arbitration or court proceeding involving Us and any other party. You hereby fully waive any right You may have to any potential class action claim and agree that any legal action will only be on an individual party basis.
- (iii) Agreed Limitations. Except for payments owed by one party to the other, claims attributable to Your underreporting of sales, indemnification under Article XV, or claims related to an act of Yours allowing Us to immediately terminate this Agreement, any legal action or arbitration proceeding (Including the offer and sale of a franchise to You) brought or instituted with respect to any Dispute hereunder must be brought or instituted within a period of one year from the date upon which a party discovered, or should have discovered, the facts giving rise to an alleged claim; provided that no claim may be brought more than two years after the first act or omission giving rise to an alleged claim. The initiation of mediation or arbitration hereunder will toll the applicable statute of limitations for the duration of any such proceedings.
- (iv) <u>Limited Damages</u>. You and We waive any right or claim of any consequential, punitive or exemplary damages against each other and agree that in the event of a Dispute between You and Us, each will be limited to the recovery of actual damages sustained. In the event we are found liable in any Dispute, whether in contract or in tort, You agree that Our total monetary responsibility and liability will not exceed a total equal to your initial opening expenses (limited to those items required in Item 7 of the franchise disclosure document). We will not be liable for any act or omission which is consistent with this Agreement or which is done in subjective good faith.
- (v) <u>Exceptions to Arbitration</u>. You and We agree that nothing in this Agreement obligates Us to arbitrate or mediate Disputes or issues relating to: (a) the validity of the Marks, or any trademarks, service marks or other Intellectual Property; (b) rights to obtain a writ of attachment or other prejudgment remedies; (c) rights to receive and enforce a temporary restraining order, preliminary injunction, permanent injunction or other equitable relief; or (d) Disputes solely for fees and other monies owed by one party to the other under this Agreement.
- (vi) Appeals. If any party to an arbitration wishes to appeal any final award by an arbitrator (there will be no appeal of interim awards or other interim relief), that party can appeal, within 30 days of such final award, to a three-person arbitrator panel to be appointed by the same organization as conducted the arbitration to be held exclusively at the same location as specified above. The issues on appeal will be limited to the proper application of the law to the facts found at the arbitration and will not Include any trial *de novo* or other fact-finding function.



The party requesting such appeal must pay all costs and fees of the arbitrators and arbitration proceedings.

(vii) Sharing of Fees. Except for an appeal, the parties to the Dispute or action will share the fees and expenses of the mediation and the arbitration equally during the mediation and arbitration. If a party is unable or unwilling to pay its share of the cost of the mediation or arbitration, the other party has the right to cover those costs; however, the prevailing party in arbitration, Including on appeal, will be awarded costs and attorney's fees as set forth in Section 19.3 below.

(viii) <u>Federal Arbitration Act</u>. You and We mutually agree that all issues relating to arbitrability are governed exclusively by the Federal Arbitration Act and the federal common law of arbitration to the exclusion of any state statutes or common law and will be decided by the arbitrator. All provisions of this Agreement pertaining to venue, choice-of-laws, dispute avoidance and resolution will be strictly enforced, and You and We will rely on federal preemption under the Federal Arbitration Act.

17.3 <u>Continued Performance</u>. During the pendency of any Dispute or any such interim relief proceeding, the parties shall continue to perform their respective obligations under this Agreement.

ARTICLE XVIII NOTICES

18.1 <u>Notices.</u> All notices permitted or required under this Agreement must be in writing and delivered as follows with notice deemed given as indicated: (i) by personal delivery when delivered personally; (ii) by overnight courier upon written verification of receipt; (iii) by facsimile transmission when confirmed by facsimile transmission, during normal business hours, Monday through Friday, holidays excepted; (iv) by sending an email to the email address below or other verified email address when confirmed by receipt verification, which verification will not be withheld or otherwise denied; or (v) by certified or registered mail, return receipt requested, addressed as follows:

<u> </u>	
FRANCHISOR:	FRANCHISEE:
Dirty Dough Franchising LLC	
632 N. 2000 W. Unit 110	
Lindon, Utah 84042	
(or Our then-current headquarters)	
Email: FRANCHISING@DIRTYDOUGHCOOKIES.COM	Email:
With a courtesy copy to (which will not act as	
notice or service to Dirty Dough Franchising	
LLC):	
The Franchise & Business Law Group	
Attn: Kara K. Martin	
222 South Main Street, Suite 500	
Salt Lake City, Utah 84101	
Email: KMARTIN@FBLGLAW.COM	

18.2 <u>Delivery</u>. If You refuse or fail to accept any certified or overnight delivery, acceptance will be deemed to have occurred 48 hours after rejection or failure to accept such



notice. Any notice delivered by mail in the manner herein specified will be deemed delivered and received three days after mailing.

18.3 <u>Listed Addresses</u>. The address specified herein for services of notices may be changed at any time by the party making the change by giving written notice to the other party by certified mail or as otherwise agreed by You and Us. Any notice to You may be delivered to the address set forth above or to the address of Your Franchise Business or office.

ARTICLE XIX CONSTRUCTION AND JURISDICTION

- 19.1 <u>Governing Law.</u> Except as provided in Section 19.5, this Agreement will be governed, construed and interpreted in accordance with the laws of the State of Utah without giving effect to its conflicts of law provisions. You and We agree that the provisions of this Agreement will control the state or provincial laws by which this Agreement will be governed and any provisions of state or provincial law to the contrary or any statements in Our franchise disclosure document or otherwise required as a condition of registration or otherwise. If the governing law requires terms other than or in addition to those in this Agreement, then such terms will be deemed incorporated herein but only to the extent necessary to prevent the invalidity of this Agreement or any of the provisions hereof or the imposition of civil or criminal penalties or liability. To the extent permitted by the laws of the state whose laws govern this Agreement, You hereby waive any provisions of law or regulations which render any portion of this Agreement invalid or unenforceable in any respect.
- 19.2 <u>Jurisdiction</u>. In order to facilitate our joint interests in having franchise issues determined in a consistent manner for application throughout the System, without in any way limiting or otherwise affecting Your and Our obligations regarding mediation and arbitration in accordance with the provisions of Article XVII, if there is any litigation between us, You and We hereby irrevocably consent to the exercise of general personal jurisdiction in the courts of record of the state of Utah even though it may be otherwise possible to obtain jurisdiction elsewhere, and You and We agree that Salt Lake City, Utah will be the exclusive venue for any litigation between Us and You. Each party waives any objection they may have to the personal jurisdiction of or venue in the state and federal courts of Utah.
- 19.3 Costs and Attornev's Fees In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the successful or prevailing party or parties are entitled to reasonable attorney's fees and other costs reasonably incurred in such action or arbitration or litigation proceeding. The costs of mediation will also be awarded to the prevailing party in arbitration or litigation, if applicable. For purposes of this Agreement, "prevailing party" Includes the party which obtains a judgment in their favor or agrees to dismiss an action or proceeding upon the other's payment of sums allegedly due or performance of the covenants allegedly breached, or which obtains substantially the relief sought. Reimbursement is due within 30 days of written notice after prevailing.
- 19.4 <u>No Jury Trial</u>. You and We waive, to the fullest extent permitted by law, all rights to trial by jury in any action or Dispute, whether at law or in equity, brought by either party.
- 19.5 <u>Exception</u>. Notwithstanding the foregoing, the Federal Arbitration Act (9 U.S.C. §§ 1 Et. Seq.) and the United States Trademark Act (Lanham Act, U.S.C § 1051 Et. Seq.) will apply to this Agreement and the relationship of the parties and preempt any state law to the contrary.



ARTICLE XX MISCELLANEOUS

- 20.1 <u>Headings</u>. Headings used in this Agreement are for reference and convenience purposes only and are not to be used in construing the provisions of this Agreement. As used herein, the male or female gender will include the other and the neuter. The singular will include the plural and the plural will include the singular as appropriate.
- 20.2 <u>No Third-Party Rights</u>. The parties intend to confer no benefit or right on any person or entity not a party to this Agreement and no third parties will have any right or claims, benefit or right or a third-party beneficiary under this Agreement or any provision hereof. Similarly, You are not entitled to claim any rights or benefits, Including those of a third-party beneficiary, under any contract, understanding or agreement between Us and any other person or entity, unless that contract, understanding, or agreement specifically refers to You by name and specifically grant rights or benefits to You.
- 20.3 <u>Authority</u>. Where an entity is a party to this Agreement, the person or persons signing this Agreement on behalf of the entity warrant to Us that they have the requisite authority to sign this Agreement. At Our request, the concerned company signatory agrees to promptly provide Us with a certified copy of the resolution authorizing the execution of this Agreement and naming the officers, directors, members, or managers of the entity who are authorized to sign this Agreement on behalf of the entity. No field representative or salesperson has the right or authority to sign this Agreement or make oral representations or written modifications hereof on Our behalf.
- 20.4 <u>No Partial Payments</u>. No payment by You or receipt by Us of any amount less than that required to be paid under this Agreement, or otherwise, to Us or any person or entity affiliated with Us, will be deemed to be anything except payment on account, regardless of any endorsement to the contrary contained on any such payment or in any oral or written communication transmitted in connection therewith
- 20.5 <u>Joint and Several Liability</u>. If more than one person, corporation, limited liability company, partnership or other entity, guarant or or any combination thereof, sign this Agreement on behalf of the franchisee, the liability of each will be joint and several. All members of a general partnership and all members of any association or other unincorporated entity, which is part of the franchisee hereunder, are jointly and severally liable for Your performance hereunder.
- 20.6 <u>No Off-Set or Withholdings</u>. You shall not offset or withhold the payment of any Fees, payments or other amounts due to Us or Our affiliates or suppliers on grounds of the alleged non-performance by Us of any of Our covenants or obligations hereunder, any Dispute of any nature or otherwise.
- 20.7 <u>Disclosure</u>. We can disclose, in disclosure documents or otherwise, information relating to Your Franchise Business, Including Your name, address, phone numbers, financial information, copies or reports, and other information.
- 20.8 <u>Binding Agreement</u>. This Agreement is binding upon the heirs, administrators, personal representatives, assigns and successors in interest to the parties hereto.
- 20.9 <u>Force Majeure</u>. Neither party will be liable by reason of any failure or delay in the performance of such applicable party's obligations hereunder on account of strikes, fires, flood, storm, explosion, or other similar causes which is beyond such party's reasonable control. This



Section will not be interpreted to relieve You from Your obligation to pay Us when due all payments required to be made by You under this Agreement.

- 20.10 Entire Agreement. The parties intend this Agreement and all attached exhibits hereto to be the full and complete agreement between Us and You and the entire integration of all our understandings of every nature concerning the matters contained in this Agreement or in any way related thereto, whether oral or written, and whether occurring before or contemporaneously with the execution of this Agreement. You represent and acknowledge that no agreements, representations, negotiations, promises, commitments, inducements, assurances, terms, conditions, or covenants of any nature exist between You and Us except as specifically set forth in this Agreement, whether pertaining to this Agreement or to any future, further or additional rights of either You or Us. Nothing in this Agreement, or in any related agreement, is intended to be a disclaimer of the representations We made to You in the franchise disclosure document. If any term of this Agreement is determined as void and unenforceable, the remaining terms and duties under this Agreement will still be considered enforceable and severable as if it was its own separate agreement from the voided term.
- 20.11 <u>Amendments</u>. No amendment, change or variance from this Agreement will be binding on either party unless executed in writing and signed by both parties; however, the Manuals and policies and procedures may be modified by Us from time to time as set forth in this Agreement and are binding.
- 20.12 <u>Effective Date</u>. Delivery of a draft of this Agreement to You does not constitute an offer. This Agreement will become effective only when fully executed and accepted by Us.
- 20.13 <u>No Course of Dealing</u>. No course of dealing between You and Us will affect Your or Our rights under this Agreement or otherwise.
- 20.14 <u>No Representations</u> You understand that the success or failure of Your Franchise Business depends, in major part, upon Your efforts. You agree that We have not made nor have You received any promise, representation or warranty that: 1) any payments by You are refundable at Your option; 2) We will repurchase any rights granted hereunder; 3) You will achieve any particular sales, income or other levels of performance, or that You will be successful in Your Franchise Business licensed by this Agreement; 4) You will have any exclusive rights of any type other than as expressly set forth herein; 5) You will receive any level of Marketing assistance, site location, development or other services, operational assistance, or otherwise other than as expressly set forth in this Agreement, 6) You will not be required to obtain any licenses or permits in order to operate Your Franchise Business; 7) any location or territory will be successful; or 8) that You will be awarded additional or further franchises or other rights, except as expressly set forth in a written document signed by Us.
- 20.15 <u>Variances</u>. You understand and agree that: 1) We may have offered franchises in the past, may currently be offering franchises or may offer franchises in the future, on economic or other terms, conditions and provisions which may significantly differ from those offered by this Agreement and any related documents; and 2) there may be instances where We have varied, or will approve exceptions to or changes in the uniform standards, or the terms on which We offer franchises, the charges We make, or otherwise deal with Our franchisees to suit the circumstances of a particular transaction as We believe necessary or desirable under particular circumstances. You have no right to object to such variances or to obtain the same variances for Yourself.



- 20.16 <u>No Misrepresentations</u>. You further represent to Us, as an inducement to Our entry into this Agreement, that You have made no misrepresentations in obtaining the award of this franchise.
- 20.17 <u>Representations of Non-Violation</u>. You represent and warrant that You can enter into this Agreement and that the execution and performance of this Agreement will not be in violation or breach, or cause the violation or breach, of any agreement or covenant between any third-party, or the violation or breach of any order, decree or judgment of any court or administrative agency.
- 20.18 <u>FDD Acknowledgement</u>. You represent that You have had a copy of Our franchise disclosure document ("FDD") for at least 14 calendar days or 10 business days, whichever is applicable in Your state, prior to signing this Agreement or making any payment to Us.
- 20.19 <u>Waiver</u>. We may, in writing, unilaterally waive any of Your obligations or requirements under this Agreement. Waiver by Us of any particular default by or obligation of You does not affect or impair Our rights with respect to any subsequent default by You or any of Our other rights to declare the same or subsequent acts a breach or default. Unless otherwise agreed to by Us in writing, Our acceptance of any payments due from You does not waive any prior defaults.
- 20.20 <u>Counterpart and Electronic Signatures</u>. This Agreement and its exhibits may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature with full legal force and effect and may be used for all purposes as if it were an original.
- 20.21 <u>Owners of the Franchise</u>. You represent and We rely upon Your representations in entering into this Agreement that the individuals in Exhibit "A-2" are the owners of and sole holders of a legal and beneficial interest in the franchise entity and in Your Franchise Business.
- 20.22 <u>Drafting</u>. You acknowledge that You have read this Agreement, have had the opportunity to review it with an attorney of Your respective choice and have agreed to all of its terms. The rule of construction that a contract be construed against the drafter will not be applied in interpreting this Agreement.

ARTICLE XXI DEFINITIONS

"Competing Business" means a cookie and other dessert business, in wholesale or retail, or a business offering cookies and other desserts, or those products or services the same as or substantially similar to those offered at Your Franchise Business or as part of the System if other than cookies and other desserts, during the term hereof or at the time of Termination.

"Confidential Information" means any information (through no fault of Yours) relating to Our products or services, or operation of a Dirty Dough® Cookies business, the System, or relating to the System as a whole, Including: (i) methods, techniques, formats, specifications, procedures, and systems; (ii) hardware, software, proprietary technology, and equipment; (iii) sales and Marketing programs, sales techniques, bidding methods, etc.; (iv) the development and operation of Dirty Dough® Cookies businesses; (v) knowledge of, specifications for, and suppliers of, certain Dirty Dough® Cookies products, materials, supplies, equipment, furnishings and fixtures; (vi) operating results and financial performance of Dirty Dough® Cookies businesses; (vii) Our strategic plans and concepts for the development, operation, or expansion of Dirty Dough®



Cookies businesses; (viii) the contents of Our Manuals; (ix) all Customer Data; (xi) login, passwords, access information, etc., to Our email accounts, Social Media, Manuals or other internal sites or shared documents (xii) Our Intellectual Property that is generally deemed confidential; (xiii) all Innovations; (xiv) Our Recipes; and (xv) any other information obtained from Us in confidence at any time by virtue of the franchise or license relationship.

"Copyright Materials" means all writings, video and audio recordings, materials, Manuals, artwork, websites, logos, Marketing materials, apps, and designs used with the Marks or in association with the System.

"Customer" or "Client" whether or not capitalized have interchangeable meanings in this Agreement.

"Customer Data" means any and all customers, and customer and prospective customer data and lists, Including phone numbers, emails, mailing addresses, name and contact information for key personnel of the customer, Social Media followers' information, etc., even if maintained by You or deemed to have arisen through Your activities. For clarity, a "prospective customer" does not mean any possible customer. It means a potential customer who has been engaged in some way, or has provided some personal information, or has elected to receive some communication, but who has not yet done business to be considered an actual customer.

"Dispute" any claim, controversy, disagreement, or dispute of any type whatsoever.

"<u>Fees</u>" refers to those fees, payments, and costs You are required to pay to Us, as more fully set forth on Exhibit "A-3."

"<u>Franchise Assets</u>" means this Agreement or any of its rights or privileges, or any shares or units in the ownership of Your entity, Your Franchise Business, or substantially all of Your assets.

"Gross Sales" Includes the total of all sales of all products, merchandise, goods and services sold, traded, bartered, or rendered by You and income of every kind and nature, Including the value of a trade or other bartering, arising from Your Franchise Business and tangible property of every kind sold by You during the term of this Agreement. "Gross Sales" excludes bona fide credits or returns and excludes amounts paid by You for sales or use taxes on the sale of any products or services.

"Immediate Family" refers to and Includes each of Your spouses, domestic partners, parents, stepparents, children, stepchildren, sons-in-law, and daughters-in law.

"Innovation" means any idea conceived or developed, or any actual improvement, change, modification, enhancement, or addition to the System, Including to Your Franchise Business, Copyrighted Materials, Manuals, Confidential Information, website, Social Media, Marketing materials, apps or any other documents or information pertaining to or relating to the System, or any Intellectual Property related to the System, or any creative concepts, Marketing and promotional ideas or inventions related to the System, and all derivatives thereof, whether implemented in the System or not.

"<u>Including</u>" or "Includes" means "including but not limited to," "including, without limitation," and similar all-inclusive and non-exhaustive meanings.

"Intellectual Property" means all Marks, trade dress, names, Copyrighted Materials, systems, patents, patent applications, trade secrets, websites, Social Media, apps, and software.



"Interim Management Period" refers to the period of time during which We step in to manage Your Franchise Business as allowed under this Agreement.

"Internet" means any present or future interactive system for electronic communications, using lines, cables, wireless, satellite, radio or any other technology; and which involves one or more of the following: the system of interconnected computer networks that use the internet protocol suite (TCP/IP) or its successor; websites or similar remotely-accessible electronic information sources (whether password protected or not); use of domain names, other locators, or emails that use our trademarks; internet phone services; cellular or similar messaging; mobile applications; social networks or Social Media; or wikis, podcasts, online content sharing communities, or blogging.

"Lease" means a commercial lease or other document of occupancy of the Premises.

"Manuals" means one or more guides or manuals, Including an operations manual, brand standards manual, and/or policies and procedures manual, technical bulletins, online drives or portals, or other written materials as may be developed, modified and supplemented by Us periodically. The Manuals may be printed or in an electronic format.

"Marketing" or "Market" Includes advertising, brand development, promotion, public relations campaigns, content creation, influencer incentives or compensation, market research and other related processes.

"Marks" means the federally registered and common law trademarks and service marks owned by Us or licensed to Us, whether now or later developed "Marks" also Includes any and all names, trade names, trademarks, slogans, service marks, logos and/or other commercial property or symbols licensed to You pursuant to this Agreement or used in connection with the System or later added to the System.

"Operating Account" means that account into which all receipts of Your Franchise Business must be deposited.

"<u>Operating Assets</u>" means Your assets, contracts, inventory, supplies, furniture, equipment, signs, service vehicles, accessories, and other personal property relating to Your Franchise Business.

"Operating Principal" is: a) You if You as the franchisee are an individual; or b) if You are an entity, an individual that owns at least 20% of the ownership and voting interests in the franchisee entity (unless You obtain Our written approval of a lower percentage), has authority over all business decisions related to the Franchise Business, and has the power to bind You in all dealings with Us.

"<u>Participant</u>" means an owner, operator, shareholder, director, partner, member, manager, consultant, agent, employee, contractor, advisor, officer, lessor, lessee, licensor, or licensee.

"<u>Principal</u>" means shareholders, owners, partners, directors, members, managers, officers, and principal employees and contractors.

"Recipes" means Our recipes, kitchen books, ingredients, flavors, compositions, mixes, batters, syrups, spices, sauces, fillings, frostings, toppings, dressings, cook temperatures, cook or



mix times, measurements, menus, preparation techniques, methods, and formulas, etc., related to Our food or drink products and menu items.

"Shall" when used in this Agreement (even if not capitalized) means must or other similar affirmative obligation, as the context requires.

"Social Media" means any and all websites, apps and web or Internet pages for social interaction, business operation, Marketing, and other online information communications, whether now or later developed.

"System" Includes the Franchise Business, specific Marks, interior design, store layout and décor, color schemes, standards, Manuals, Recipes, processes, services, know-how, operating procedures and Marketing concepts, business formats, specifications for and the use of certain equipment, the sale of products, food and supply items, and the use of proprietary and Confidential Information and other Intellectual Property.

"<u>Termination</u>" or <u>"Terminate"</u> Includes expiration, non-renewal, repurchase of Your rights, non-granting of a Successor Franchise, non-renewal, Transfer, or any other means by which this Agreement is no longer in effect and You are no longer a franchisee of the Dirty Dough® Cookies System.

"Transfer" Includes any direct or indirect assignment, transfer, division, trade, sale, gift, pledge, sublicense, mortgage, granting of any security interest, or sale at judicial sale or under power of sale, conveyance or retention of collateral in satisfaction of debt, or other procedure to enforce the terms of any pledge, encumbrance, or security interest.

"We," "Our(s)" or "Us" only as applied to Paragraphs 2.2.3, 10.1.1, 10.1.2, and 14.8.7, Sections 3.1, 3.5, 6.6, and 16.4, and Articles XI and XV Includes Our predecessors, parents, affiliates, subsidiaries, successors, and assigns and Our officers, directors, shareholders, members, managers, employees, agents, development agents, or others with whose conduct We are chargeable, as applicable

"You" or "Your" Includes all signers of this Agreement, all current and subsequent guarantors, all subsequent and current members, Operating Principals, owners, partners, shareholders, managers, directors, officers, agents, affiliates, principal employees and with those whose conduct You are chargeable.

[INTENTIONALLY LEFT BLANK]

WE CANNOT RELIABLY PROJECT YOUR FUTURE PERFORMANCE, REVENUES OR PROFITS, AND YOU REPRESENT, COVENANT AND AGREE THAT WE HAVE MADE NO REPRESENTATIONS OR WARRANTIES CONCERNING YOUR SUCCESS AS A FRANCHISEE, AND WE DISCLAIM ANY WARRANTY OR REPRESENTATION AS TO THE POTENTIAL SUCCESS OF THE BUSINESS OPERATIONS UNDER THIS FRANCHISE AGREEMENT. THE SUCCESS OF YOUR BUSINESS IS LARGELY DEPENDENT ON YOUR PERSONAL EFFORTS.

WE EXPRESSLY DISCLAIM THE MAKING OF ANY EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES REGARDING THE SALES, EARNING, INCOME, PROFITS, GROSS SALES, BUSINESS OR FINANCIAL SUCCESS, OR VALUE OF YOUR FRANCHISE BUSINESS.



YOU ACKNOWLEDGE THAT YOU HAVE HAD AN OPPORTUNITY TO HAVE THIS AGREEMENT AND RELATED DOCUMENTS REVIEWED BY YOUR OWN ATTORNEY.

IN WITNESS WHEREOF, the parties have respectively signed this Franchise Agreement effective as of the day and year first written above.

FRANCHISOR:	FRANCHISEE:
DIRTY DOUGH FRANCHISING LLC	- <u></u>
By: (Signature)	By:(Signature)
Name:	Name:
Title:	If the franchisee is not an entity, each person must sign personally. By:



EXHIBIT "A-1" TO THE FRANCHISE AGREEMENT

SEARCH AREA AND TERRITORY: (Map may be attached)

1.	Your Search Area in which to locate Your Premises is as follows:
2.	You approved Premises is to be located at:
	42017
3.	Your Territory is miles from Your approved Premises location in all driving directions.
	Our approval of the Territory or a site is not a guarantee or a warranty of the potential success of a territory or a site.
Franc	hisee Initial and Date
	hisor Initial and Date



EXHIBIT "A-2" TO THE FRANCHISE AGREEMENT

COMPANY REPRESENTATIONS AND WARRANTIES

You make the following additional warranties and representations:

You are a (check one):		
□ Partnership □ Sole Proprietor	□ Corporation rship □ Limited Liability Com	pany
Name of entity: State entity was formed: Date of formation:		
EIN: The names and address	es of each shareholder, partner, or nartnership, or limited liability comp	
Name	Address	Percentage of Ownership*
	~ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\	V
	(N 6) (N	
	71, 71, 2	
C		
*Partnership: Pe	rcentage owned of outstanding vot rcentage owned in voting and in ca r	pital and profits.
The names of the office extra lines if necessary):	rs of the company (please print or ty	ype the information and add
Name	2	Title
The address where You	r corporate records are maintained i	is:



The name and address of the Operating Principal who has been approved by Us and who will be directly responsible for supervising Your business operations and who has authority to work with Us and make decisions relating to the operations of the Franchise Business: Address: ______ Email: You must provide Us a copy of Your articles of organization and operating agreement or articles of incorporation and bylaws within one week of the date below. Dated _____ **FRANCHISEE:** (Signature)

EXHIBIT "A-3" TO THE FRANCHISE AGREEMENT

FEE CHART¹

The following Fees are more fully described in the Franchise Agreement.

Type of Fee	Amount	Section Reference
In this I Character and I limit	t (0 500	Can Canting 51
Initial Standard Unit Franchise Fee	\$49,500	See Section 5.1
Royalty	7% of Gross Sales	See Section 5.2
Advertising Fund Fee	3% of Gross Sales	See Paragraph 5.3.1
Annual Minimum Revenue	\$120,000 (calculated starting after	See Paragraph 1.1.3
Allitual Millimatti Revenue	the first year of operations)	See Faragraph I.i.S
Territory Adjustment Fee	\$2,500	See Paragraph 1.1.4
Successor Franchise Fee	\$2,500	See Paragraph 2.2.4
Site Approval Fee	\$500	See Paragraph 4.1.1
Relocation Fee	\$5,000	See Section 4.5
Additional Franchise	Reduced by \$5,000 per franchise for	See Paragraph 5.1.2
Locations	first 2 additional units:	
	• 2 nd = \$44,500	
	• 3 rd = \$39,500	
	• 4 th + = \$34,500	
Mobile Trailer Unit Franchise	\$29,500 for the first unit	See Paragraph 5.1.2
Fees	Reduced fee of \$20,500 for first unit	3 1
	for current standard franchisees' in	
	good standing	
	\$5,000 per unit after the first for all	
	franchisees	
Local Marketing	\$1,000 per month	See Paragraph 5.3.2 and
		Section 10.3
Late Fees and Interest	\$25 per day up to a maximum of	See Paragraphs 5.4.3 and
	\$500 per fee per month, plus 18%	5.4.4
	interest, or the maximum interest	
	allowed by state law	
Non-Sufficient Fund Fees	\$50 per bounced check or draft, or	See Paragraph 5.4.3
	the maximum allowed by state law	
Sales or Use Tax	Sum equal to tax imposed	See Paragraph 5.4.5
Audit Charge	Cost of audit	See Paragraph 5.5.2
System Non-Compliance	Amounts to be specified in the	See Section 5.9
Fines and Charges	Manuals. Ranging between \$50 and	
	\$500	
Technology Fee	\$149 to \$300 per month	See Section 5.10
Initial Training Fee	\$500 for standard units; \$750 for	See Paragraph 6.1.4
- 5	mobile units	
Replacement Training	\$250 per person/per day	See Paragraph 6.1.4(i)
Refresher Training	\$250 per person/per day	See Paragraph 6.1.4(ii)
Annual Manager Training	\$250 per person/per day	See Section 6.1.4(iii)
Additional In-Person Training	\$250 per person/per day	See Paragraph 6.1.4(iv)



Initial Cookie Dough and	\$5,000 to \$16,000	See Paragraph 6.1.5
Toppings Order		
Initial Cookie Dough and	\$2,500 to \$7,500	See Paragraph 6.1.5
Toppings Order for Mobile		
Unit		
Grand Opening Marketing	\$1,000	See Paragraphs 6.1.5 and
Fee		10.4.2(i)
Opening Assistance	\$500	See Paragraphs 6.1.5 and
Rescheduling Fee		7.4.1
Insurance Reimbursement	Reimbursement of premium costs	See Paragraph 6.1.11(ii)
Fee	plus and administration fee of \$500	
	per person, per hour	
PCI and DSS Audit	Reasonable costs of the audit	See Paragraph 6.1.13(iv)
Reimbursement Fee		
Conference Fee	Determined at time of conference	See Paragraph 6.1.14
Seminar Fee	Determined at time of seminar	See Paragraph 6.1.14
Customer Relation	Approximately \$149 to \$225 per	See Paragraph 6.1.15
Management Software	month	(U P)
Customer Complaint	Amount paid to customer, plus \$100	See Paragraph 6.2.2(vi)
Resolution Fee	per instance	\ , \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \
Compliance Reinspection Fee	\$250	See Paragraph 6.2.2(iv)
Interim Management Fee	\$250 per person/per day	See Paragraph 6.2.3 and
		Section 14.10
Supplier Evaluation Fee	Our costs and expenses	See Section 8.3
Additional Copies of	Our costs, plus 20%, and the costs	See Section 10.4
Marketing Materials	for shipping and handling	
Website Maintenance Fee	Currently, \$0	See Paragraph 10.6.1
Fees on Default	Our costs associated with Your	See Section 11.2
	default	
Post-Termination De-	\$100 per day or \$1,500 total,	See Paragraph 12.1.8
identification Non-	whichever is more	J .
Compliance Fee		
Customer Reimbursement	\$100 per instance	See Paragraph 12.1.11
Fee		5 1
Gift Card and Prepaid	Varies	See Paragraph 12.1.11
Services Reimbursement Fee		5 1
Post-Termination Fees	Varies	See Paragraph 12.1.13
Early Termination Liquidated	Average royalty from the previous 12	See Section 12.5
Damages	months multiplied by the lesser of	
	30 months or the remaining term of	
	this Agreement, whichever is less	
Franchise Agreement	\$2,500	See Section 14.5
Transfer Fee		
Minority Interest Transfer Fee	Legal and corporate fees and costs	See Section 14.6
	incurred	
Transferee Training Fee	\$1,500	See Paragraph 14.8.5
Indemnification	Varies	See Section 15.2
Non-Compete Violations Fee	\$500 per day for each competing	See Section 16.9
	business, plus Our then-current	
	royalty rate for all Gross Sales from	
	the competing businesses	
I	<u>, , , , , , , , , , , , , , , , , , , </u>	



Dispute Resolution Fees	Varies	See Section 17.2 and
		Section 19.3

¹ If a fee is subject to change by Us rather than by a third party, the increase will not be more than the equivalent of 15% per year during the term of this Agreement. Costs or fees charged by third parties are subject to change at any time and do not have an annual cap. In addition, as new technologies are developed, we may implement such technologies into Our System and there may be a required fee associated.





EXHIBIT "A-4" TO THE FRANCHISE AGREEMENT

BRAND PROTECTION AGREEMENT FOR PRINCIPALS

This BRAND PROTECTION AGREEMENT FOR PRINCIPALS (the "Agreement") is entered into and made effective as of the effective date listed below by DIRTY DOUGH FRANCHISING LLC ("Franchisor") and the undersigned ("Principals").

WHEREAS, Principals or his or her, or their company, entered into an agreement with Franchisor so as to be able to obtain the rights to operate a Dirty Dough® Cookies Franchise Business using the System developed by Franchisor, Including certain Confidential Information of Franchisor ("Franchise Agreement"); and

WHEREAS, Principals will have access to certain parts of the Confidential Information; and

WHEREAS, Franchisor has developed Confidential Information and Recipes for the operation of a Dirty Dough® Cookies Franchise Business and may continue to develop new Recipes and revise current Recipes for use in association with the Dirty Dough® Cookies System; and

WHEREAS, Principals will have access to certain parts of the confidential and proprietary Recipes; and

WHEREAS, Principals recognize the value of the System and the intangible property rights licensed under the Franchise Agreement, and the importance of maintaining the Confidential Information, and recognize that the Franchisor's entering into the Franchise Agreement is conditioned upon each Principal entering into this Agreement, and

WHEREAS, all capitalized terms used, but not defined, herein will have the respective meanings assigned to them pursuant to the Franchise Agreement.

NOW THEREFORE, in consideration of Franchisor entering into the Franchise Agreement with Principals or his or her or their company, the recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

- 1. <u>Acknowledgment</u>. Principals individually acknowledge that he or she has obtained or may obtain access to Confidential Information developed, used, licensed to, and owned by Franchisor and made available to Principals that is necessary and essential to the operation of the Franchise Business, without which information the Franchise Business could not efficiently, effectively, and profitably operate. Principals further acknowledge that such Confidential Information was not known to him or her prior to the association with Franchisor.
- 2. <u>Non-Disclosure and Non-Use</u>. Except as may be required or allowed under the Franchise Agreement, Principals and any of Principal's Immediate Family, shall not during the term of the Franchise Agreement and any Successor Franchise or Successor Franchise Agreement or any time thereafter, directly or indirectly, use, or disclose to any third-party, or authorize any third-party to use, any information relating to the Franchise Business or interest of Franchiser, Confidential Information, the System, or other information or materials that he or she knows, or reasonably should know, is regarded as confidential to Franchisor. Principals shall also adopt and implement all reasonable procedures prescribed by Franchisor, from time to time, to



prevent unauthorized use and/or disclosure of the Proprietary Information, including restrictions on disclosure to employees and other third parties. The parties intend that the information disclosed by Franchisor prior to the actual execution of this Agreement constitutes Confidential Information and is subject to all the terms and conditions of this Agreement (Including the covenants protecting against disclosures) as if such information had been disclosed following the execution of this Agreement.

2.1 <u>Trade Secret Information:</u> Trade Secret Information is also part of Confidential Information and includes recipes from Dirty Dough® Cookies, including its marinade and salsa recipes, whether written or oral, for use in the foods Dirty Dough® Cookies serves to customers and clients and the public as a whole, not being generally known and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use and is the subject of reasonable efforts by the Dirty Dough® Cookies and its affiliates to maintain its secrecy.

2.2 Non-Disclosure of Trade Secret Information. You and Your employees, ownership, agents and affiliates, shall not disclose any Trade Secret Information to any individual except for those needed to produce any products authorized to provide from Us. Specifically, We agree that only Your designated on-site manager shall be allowed to review the Trade Secret Information. Any other individuals that need to review the Trade Secret Information not identified in this Agreement needs written consent from Dirty Dough® Cookies and the basis as to why it needs to review the Trade Secret Information as well as the name and title of the individual. Any written Trade Secret Information given to the individuals identified in this section shall be sent via an encrypted file that shall be password protected and only the individuals identified in this section shall have access to or know the password. The individuals identified in this section shall ensure no other individuals of Recipient shall know or have access to the password. The individuals identified in this section shall ensure that upon receipt of any electronic Trade Secret Information, that it remains in an encrypted password protected folder, one a separate password, protected USB drive, that has no other information saved on it, without divulging the password to any individuals not identified in this section. The Trade Secret Information may not be saved on any server, computer hard drive or mobile phone of Recipient or its employees and affiliates and can only be accessed through the USB drive. If the Trade Secret Information is sent via email, the Trade Secret Information must saved on the USB drive and must be encrypted with a password and then the email must be immediately deleted. If any of the named individuals in this section receives a hard copy of the Trade Secret Information, or on a USB drive, that information shall be place in a folder, or box, that is clearly marked in red on the front of the folder or box: CLASSIFIED FOR REVIEW OF On-Site Manager only. The individuals in this section shall keep any hard copy of the Trade Secret Information physically locked and secured where no other individual not named in this section shall have access to it and access to the means to unlocking the secured space. If any of the named individuals writes down the Trade Secret Information, if Senor Pollo gives the Trade Secret Information to the named individuals orally, or if it makes a copy from a hard copy or electronic copy, it must first have the written permission of Dirty Dough® Cookies to write down the Trade Secret Information. Any information an individual writes down also must be kept secret under the same procedures identified in this section for hard copies and electronic copies of the Trade Secret Information. Once the individual no longer works as an on-site manager, it must destroy only disclose the Trade Secret Information and how to access it to the new on-site manager after written permission is given from Us to do so. If this Agreement is Terminated, You must destroy all Trade Secret Information within 24 hours of Termination, or if We direct you to destroy any Trade Secret Information during this Agreement.

2.1 <u>Duty to Notify</u>. Principals agree to notify Franchisor of any reasonably suspected attempts to violate the terms or purposes of this Agreement and further agree to



require all personnel to report to it any reasonably suspected attempts to violate this Agreement. In the event it is discovered that Principals knew or had reason to know of any suspected attempts to violate this Agreement, Principals agree to indemnify Franchisor for all costs and fees associated with enforcement, and to reimburse Franchisor for those losses sustained due to such violation.

- 2.2 <u>No Reverse Engineering.</u> Principals shall not either personally, in concert with others, or through other authorization, reverse engineer, decompile or deconstruct or attempt to reverse engineer, decompile or deconstruct any portion of the Confidential Information, Including Recipes, and shall not allow, encourage or permit any partner, owner, director, member, manager, agent, employee or other person to do so. For purposes of this Agreement, reverse engineering as it relates to the Recipes, Includes any deviations from the Recipes that make minimal changes to the process, procedure, or ingredients such that the final result is identical or substantially similar to the result that would reasonably be expected to result from the Recipes.
- 2.3 <u>Limited Use</u>. Principals shall limit their use of the Confidential Information, Including, their recollection of any part of the Recipes, to the performance of their duties as described in the Franchise Agreement, the Manuals, and any policies and procedures implemented by Franchisor and shall not use the Recipes for any personal use or gain.
- 3. <u>Non-Competition; Non-Solicitation</u>. The following covenants will be enforced during and after the term of the Franchise Agreement:
- 3.1 <u>In-Term Covenant</u>. During the term of the Franchise Agreement and for any extensions or Successor Franchises thereof, except as permitted under the Franchise Agreement, Principals and each Principal's Immediate Family, shall not be a Participant, assist, or serve in any other capacity whatsoever, or have any interest in a Competing Business in any capacity or location except with Franchisor's prior written consent.
- 3.2 Post-Term Covenant. Upon Termination for any reason of the Franchise Agreement, and any extensions thereof, or upon any Transfer or repurchase of a Principal's rights under the Franchise Agreement or the franchise entity, or a Principal's dissociation from the Franchise Business, and for a continuous, uninterrupted period of three years thereafter, Principals, and Principal's Immediate Family, shall not, directly or indirectly, be Participant, assist, or serve in any other capacity whatsoever, or have any interest in a Competing Business in any capacity, territory, or location within the Territory or within 25 miles of the Territory or within 25 miles of the territory of any System franchise or Dirty Dough® Cookies business operation at the time of Termination of the Franchise Agreement. The ownership of not more than 2% of the voting stock of a publicly held corporation will not be considered a violation of the foregoing provision. Principals agree that the Franchise Business attracts customers from up to 25 miles, and that such geographical restraint is not unreasonable.
- 4. <u>Non-Solicitation of Customers.</u> During the term of the Franchise Agreement and for three years after the Termination of the Franchise Agreement, Principal and each of Principal's Immediate Family shall not, directly or indirectly, contact any former or then-current customer of the Franchise Business, or any former, then-current customer of Franchisor or an affiliate of the Franchisor (with whom the Principal had contact during the term of the Franchise Agreement) for the purpose of soliciting such customer to a Competing Business. For clarity, a "prospective customer" does not mean any possible customer. It means a potential customer who has been engaged in some way, or has provided some personal information, or has elected to receive some communication, but who has not yet done business to be considered an actual customer.



- 5. <u>Survival of Covenants; Tolling of Covenants.</u> The foregoing covenants survive the Termination of this Agreement and apply regardless of whether this Agreement was Terminated by lapse of time, by default of either party, or for any other reason. In addition to other remedies available to Franchisor, in the event a Principal violates a non-competition and/or non-solicitation covenant, the applicable non-competition or non-solicitation period will be tolled and extended for the period of that Principal's violation. This Section does not preclude and is not inconsistent with a court granting Franchisor specific performance or any other equitable remedies, such as an injunction, to prevent future breaches.
- 6. <u>Return of Materials</u>. Upon the Termination of the Franchise Agreement, or a Principal's disassociation from the Franchise Business, each Principal agrees to deliver to Franchisor (and shall not keep a copy in his or her possession or deliver to anyone else) the Dirty Dough® Cookies Manuals and any and all Confidential Information.
- 7. Irreparable Harm. Principals hereby acknowledge and agree that any breach by him or her of any portion of Sections 1 through 5 above, inclusive, will cause damage to Franchisor in an amount difficult to ascertain. Accordingly, in addition to any other relief to which Franchisor may be entitled, Franchisor will be entitled to temporary, preliminary, and/or permanent injunctive relief for any breach or threatened breach by any Principal of any of the terms of Section 1 through 5 above, inclusive, without proof of actual damages that have been or may be caused to Franchisor by such breach and without the requirement of posting bond. Additionally, Principals agree that the existence of any claims a Principal may have against Franchisor, whether or not arising from this Agreement or the Franchise Agreement, will not constitute a defense to Franchisor's ability to enforce the covenants set forth in this Agreement. The existence of a claim against Franchisee or Franchisor will not constitute a defense to enforce the covenants of this Agreement.
- 8. Reasonableness and Enforceability. Principals agree that the terms of this Agreement are fair and reasonable in light of the circumstances and were in part, based on the perceived or potential value of the System and the business relationship that Principals and/or his or her or their company have and will have with Franchisor. If any portion of this Agreement will be held invalid or inoperative, then, so far as is reasonable and possible, the remainder of this Agreement will be considered valid and operative, and effect will be given to the intent manifested by the portion held invalid or inoperative. Whenever the context so requires, the masculine will include the feminine and neuter and the singular will include the plural and conversely. Principals understand that a separate action may be brought or prosecuted against a Principal whether or not the action is brought or prosecuted against any other Principal or against the franchisee or any or all of them, or whether any other Principal or the franchisee is or are joined in the action.
- 9. <u>Governing Law and Jurisdiction</u>. The validity, enforcement, construction, rights and liabilities of the parties and provisions of this Agreement will be governed by and interpreted in accordance with the laws of the state of Utah without giving effect to its conflicts of law provisions. If for any reason court action is filed, Principals individually consent to the jurisdiction of the courts of record in the state of Utah, and unless the enforcement of this Agreement is brought in connection with a Dispute under the Franchise Agreement (in which case this matter may be handled through arbitration as set forth in the Franchise Agreement), each Principal agrees that proper jurisdiction and venue for all Dispute resolution will be exclusively in the state and federal courts of Salt Lake City, Utah.



- 10. <u>Attorney's Fees and Costs</u>. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the successful or prevailing party or parties will be entitled to reasonable attorney's fees and other costs reasonably incurred in such action or proceeding.
- 11. <u>Binding Agreement</u>. This Agreement will bind the successors and assigns of a Principal and his or her heirs, personal representative, successors and assigns. No rights under this Agreement are assignable by any Principal, and any purported assignment will be null and void and of no force or effect.
- 12. <u>Survival of Covenants</u>. All covenants made in this Agreement by Principals survive the Termination of this Agreement or the Franchise Agreement or Principal's disassociation with the Franchise Business or the System in any way.
- 13. <u>Modification of Agreement</u>. This Agreement may be amended in whole or in part only by an agreement in writing signed by the parties.
- 14. <u>Waiver</u>. Each Principal understands and acknowledges that Franchisor can require the use of cameras at the business premises, and each Principal waives any expectation of privacy in non-private areas of the business premises, i.e., spaces that are not in a bathroom, changing room, etc.
- 15. <u>Counterpart and Electronic Signatures</u>. This Agreement may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original.

[Remainder of page intentionally left blank; signature page follows]



PRINCIPALS INDIVIDUALLY ACKNOWLEDGE THAT HE OR SHE HAS READ THIS AGREEMENT AND UNDERSTANDS ITS CONTENTS.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date below.

FRANCHISOR:	PRINCIPALS:
DIRTY DOUGH FRANCHISING LLC	
By:(Signature)	By: (Signature)
Name:	Name:
Title:	Title:

[Signature page to Exhibit A-4, Principal Brand Protection Agreement]



DATED ______.

EXHIBIT "A-5" TO THE FRANCHISE AGREEMENT

MANAGEMENT EMPLOYEE BRAND PROTECTION AGREEMENT

This MANA	AGEMENT EMPLOYEE BRAND	PROTECTION	AGREEMENT	("Agreement") is
entered into as of.	, between			("Franchisee") and
	("Manager"), residing a	at		

- A. Franchisee is the holder of a Dirty Dough® Cookies franchise developed by Dirty Dough Franchising LLC ("Franchisor").
- B. Franchisor has developed certain confidential and proprietary information for the operation of a Dirty Dough® Cookies franchise, including without limitation, processes, methods, trade secrets, systems, software, pricing, financial information, customer data and lists, manuals, marketing techniques, and procedures ("Proprietary Information").
- C. Included in the Proprietary Information are confidential and proprietary mixes, recipes, frostings, toppings, flavors, ingredients, sauces, syrups, spices, processes, methods, formulas, temperatures, cook times, and measurements and other information relating to the preparation of food items (collectively "Recipes") for use in the operation of a Dirty Dough® Cookies franchise businesses.

NOW, THEREFORE, in consideration of the employment of Manager by Franchisee, the parties hereto agree as follows:

- 1. <u>Acknowledgement</u>. Manager acknowledges that during the course of his or her employment by Franchisee he or she has obtained or may obtain knowledge of the Proprietary Information and other confidential matters and procedures developed, licensed to or owned by Franchisor and made available to Franchisee, which are necessary and essential to the operation of the business of Franchisee, which without such information, Franchisee could not efficiently, effectively and profitably operate its Dirty Dough® Cookies franchise. Manager further acknowledges that such Proprietary Information was not known to him or her prior to the association with Franchisee or its Dirty Dough® Cookies franchise.
- 2. <u>Non-Use, Non-Disclosure</u>. Except as may be required in the performance of duties for Franchisee, Manager shall not, during the course of his or her employment or at any time thereafter, directly or indirectly, use, or disclose to any third-party, or authorize any third-party to use any portion of the Proprietary Information, and agrees not to copy, transmit, recreate or otherwise reproduce all of any part of the Proprietary Information at any time.
- 2.1 <u>No Reverse Engineering.</u> Manager shall not, either personally, in concert with others or through other authorization, reverse engineer, decompile or deconstruct or attempt to reverse engineer, decompile or deconstruct any portion of the Proprietary Information, including without limitation, the Recipes, and will not allow, encourage or permit any partner, owner, director, member, manager, agent, employee or other person to do so. For purposes of this Agreement, reverse engineering as relates to the Recipes will include any deviations from the Recipes that make minimal changes to the process, procedure, or ingredients such that the final result is identical or substantially similar to the result that would reasonably be expected to result from the Recipes.



- 2.2 Trade Secret Information: Trade Secret Information is also part of Confidential Information and includes recipes from Dirty Dough® Cookies, whether written or oral, for use in the foods Dirty Dough® Cookies serves to customers and clients and the public as a whole, not being generally known and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use and is the subject of reasonable efforts by the Dirty Dough® Cookies and its affiliates to maintain its secrecy. You shall not disclose any Trade Secret Information to any individual except for those needed to produce any products authorized to provide.
- 3. <u>Limited Use</u>. Manager shall not use the Proprietary Information at any time, place, or circumstance, except as directed by Franchisee or its authorized representatives. In no event shall Manager use the Proprietary Information, whether in part or in whole, outside of Manager's specific employment duties.
- 4. <u>Duty to Notify.</u> Manager agrees to notify Franchisor or Franchisee of any reasonably suspected attempts to violate the terms or purposes of this Agreement or to otherwise disclose, copy, or reproduce any part of the Proprietary Information. In the event it is discovered that Manager knew or had reason to know of any suspected attempts to violate this Agreement and fails to report such knowledge, Manager agrees to indemnify Franchisor and Franchisee for all costs and fees associated with enforcement, and to reimburse Franchisor and Franchisee for those losses sustained due to such violation. Manager agrees to cooperate with Franchisor and Franchisee in its or their attempts to enforce the terms of this Agreement and to otherwise protect the Proprietary Information, and to cooperate with Franchisee and Franchisor to the extent Franchisee is obligated to cooperate with Franchisor's attempts to enforce its rights in and to the Proprietary Information.
- 5. <u>Return of Materials</u> Immediately upon the termination of employment, Manager agrees to deliver to Franchisee (and shall not keep in his or her possession or deliver to anyone else whether in hard or electronic soft copy) any and all records, data, photographs, notes, manuals, lists, correspondence, specifications, materials, other documents or property, or reproductions relating to, directly or indirectly, to the Proprietary Information.
- 6. <u>Management Employees</u>. This Section 6 shall only apply if Employee is a management employee and/or acts in a supervisory role over other employees.
- 6.1 <u>Non-Competition</u>. Manager shall not, during the course of his or her employment by Franchisee, and for one year thereafter, directly or indirectly in any capacity, without Franchisee's prior written consent, engage in a business, or plan for or organize a business, or have any financial interest in, or become and owner, officer, director, shareholder, partner, associate, employee, contractor, agent, representative or consultant in any offering or selling products or services the same or substantially similar to a Dirty Dough® Cookies business. Without limiting the generality of the foregoing, the minimum area of competitive nature will be that area within a 15-mile radius of Franchisee's place of business or any Dirty Dough® Cookies business operation at the time of Manager's termination of employment. The ownership of not more than 2% of the voting stock of a publicly held corporation will not be considered a violation of the foregoing provision.
- 6.2 <u>Non-Solicitation of Customers.</u> Manager shall not, during the course of his or her employment and for two years thereafter, directly or indirectly, contact any customer or former customer of Franchisee for the purpose of soliciting such customer Dirty Dough® Cookies to be a customer of a business that is the same as or similar to a Dirty Dough® Cookies business.



- 7. <u>Irreparable Harm.</u> Manager hereby acknowledges and agrees that any breach by him or her of any portion of Sections I through 6 above, inclusive, will cause damage to Franchisee and Franchisor in an amount difficult to ascertain. Accordingly, in addition to any other relief to which Franchisee may be entitled, either Franchisee or Franchisor will be entitled to enforce this Agreement and to seek temporary, preliminary, and/or permanent injunctive relief for any breach or threatened breach by Manager of any of the terms of Section I through 6 above, inclusive, without proof of actual damages that have been or may be caused to Franchisee or Franchisor by such breach, and without the requirement of posting bond. The existence of a claim against Franchisee or Franchisor will not constitute a defense to enforce the covenants of this Agreement.
- 8. <u>Modification</u>. Manager hereby agrees that, without limitation, any modifications, alterations, changes, or improvements conceived, designed, devised, developed, perfected or made by Manager, whether alone or in conjunction with others, and related in any manner to the actual or anticipated operation of the Franchisee, or the Dirty Dough® Cookies system, or to any area of research and development related to the operation of the business, must be promptly disclosed to the Franchisee and will become the property of Franchisor, and Manager hereby irrevocably assigns, transfers, and conveys any such to Franchisor.
- 9. <u>Enforceability</u>. If any portion of this Agreement will be held invalid or inoperative, then, so far as is reasonable and possible, the remainder of this Agreement will be considered valid and operative, and effect will be given to the intent manifested by the portion held invalid or inoperative.
- 10. <u>Survival of Covenants</u>. All covenants made in this Agreement by Manager survive the termination of Manager's employment with Franchisee or the expiration, transfer, or termination of this Agreement.
- 11. <u>Modification of Agreement</u>. This Agreement may be amended in whole or in part only by an agreement in writing signed by both parties.
- 12. <u>Attorneys' Fees</u>. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the successful or prevailing party or parties will be entitled to reasonable attorney's fees and other costs reasonably incurred in such action or proceeding.
- 13. <u>Waiver</u>. Employee understands and acknowledges that Franchisee may employ the use of cameras at the business premises, and Employee waives any expectation of privacy in non-private areas of the business premises, i.e., spaces that are not in a bathroom, changing room, etc.
- 14. <u>Counterpart and Electronic Signatures</u>. This Agreement may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original.
- 15. <u>Third-party Beneficiary</u>. It is agreed and acknowledged that Franchisor is a third-party beneficiary to this Agreement.

[Remainder of page intentionally left blank; signature page follows]



MANAGER ACKNOWLEDGES THAT HE OR SHE HAS READ THIS AGREEMENT AND UNDERSTANDS ITS CONTENTS.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the day and year first herein above written.

FRANCHISEE:	MANAGER:
By:	By:
Name:	Name:
Title: Date:	Title: Date:

[Signature page to Management Employee Brand Protection Agreement]



EXHIBIT "A-6" TO THE FRANCHISE AGREEMENT

LANDLORD'S CONSENT TO ASSIGNMENT

("Landlord") hereby consents	s to an assignment of the lease
agreement ("Lease Agreement") to Dirty Dough Franchising	
securing the obligations of	
to Franchisor. In the event of Lessee's breach of the Lease Ag	
Franchisor with written notice of any breach of the Lease Ag provide to Lessee. Further, Landlord agrees it will not take	
Agreement without first giving Franchisor an opportunity,	
breach for an additional 10 days beyond the applicable cure	
the Lease Agreement.	period granted to the Lessee divider
Landlord agrees to provide Franchisor with all information re	elating to amounts owing, settlement
agreements, and all matters related to the Lease Agreeme	nt within five days of written request
from Franchisor.	
Landlord agrees that if the Lease Agreement or franchise will have the right, but not the obligation, within 90 c	agreement is terminated, Franchisor
Agreement or franchise agreement, to take possession	of the promises and to assume or
reassign the Lease Agreement, or sublet the premises to a	
term of the Lease Agreement; provided that Landlord will l	
such reassignment or subletting.	3 11
Landlord further covenants that so long as Franchisor ha	
leased premises, Franchisor will not be liable for rent or a	ny other obligation under the Lease
Agreement, but that Landlord will look to Lessee for all obli Landlord agrees to include the terms of the attached lease	
Landiord agrees to include the terms of the attached lease	nder in the Lease Agreement.
Notices to Franchisor will be sent to: Dirty Dough Franch	ising LLC, Attn: Bennett Maxwell, 58
South 850 East, Pleasant Crove, Utah 84062.	
(, 0 , 0	
Dated as of	
	LANDLODD
Landlord Contact Information:	LANDLORD:
Contact Person:	By:
Mailing Address:	Title:
	Name:
Email:	
Phone:	Date:



SCHEDULE "A-6.1"

To the Landlord's Consent to Assignment Lease Rider

Notwithstanding anything in the lease to the contrary, the Landlord and Tenant agree as follows (capitalized terms not defined herein having the meanings set forth in the Franchise Agreement between Tenant and DIRTY DOUGH FRANCHISING LLC ("Franchisor"), Tenant's franchisor):

- 1. The initial term of the lease will be for a period of not less than 7 years from the time Tenant opens for business.
- 2. Landlord consents to Tenant's use and display of the Dirty Dough® Cookies Marks and signage as Franchisor may require from time to time for the Franchised Business, subject only to the provisions of applicable law. Landlord shall also provide Tenant and Tenant's customers with a non-exclusive, mutual cross access easement for purposes of vehicular and pedestrian ingress and egress to access Tenant's Franchise Business. Tenant shall also have the right to use a customer drive-through for its Franchise Business.
- 3. Tenant will have the right to alter, renovate, add, remodel, modify, and/or change the Premises and/or other improvements upon the Premises as Tenant may deem desirable, provided that if any such alterations, renovations, additions, modifications, remodeling and/or changes to the Premises and/or improvements upon the Premises affect the exterior, structural elements or foundation of the Premises, Tenant must first obtain the consent of Landlord, which consent will not be unreasonably withheld, conditioned or delayed.
- 4. The Premises will be used solely for the operation of a Dirty Dough® Cookies which operates using the Dirty Dough® Cookies Marks and System while the Franchise Agreement is in effect and Tenant is in lawful possession of the Premises.
- 5. Landlord acknowledges that, in the event the Franchise Agreement expires or is terminated: (a) Tenant is obligated under the Franchise Agreement to take certain steps to deidentify the location as a "Dirty Dough Cookies"; and (b) Landlord shall cooperate fully with Franchisor in enforcing such provisions of the Franchise Agreement, including allowing Franchisor, its employees and agents to enter and remove signs, décor, and materials bearing or displaying any Marks, designs, or logos, provided that Landlord will not be required to bear any expense thereof.
- 6. If Franchisor so requests, Landlord shall provide Franchisor with all sales and other information that Landlord may have related to the operation of the Franchised Business.
- 7. Tenant is restricted from accepting any requirement under the lease that seeks to impose any restrictions (territorial or otherwise) on the development or operation of other Dirty Dough® Cookies or other dessert business by Tenant, Franchisor, or any other person or entity.
- 8. Landlord agrees that Tenant may not assign the lease or sublease all or any part of Tenant's occupancy rights thereunder without Franchisor's prior written consent.
- 9. Landlord's consent to an assignment of the lease or subletting of the Premises will not be required in connection with an assignment or subletting to Franchisor, or any parent, subsidiary or affiliate of Franchisor or Tenant, or another operator that Franchisor has approved to be the



franchisee and operate at the Premises.

- 10. Landlord shall not sell or lease or allow the sublease of, space in the building, or on the property, to any person or entity for a cookie business. Additionally, Landlord shall not sell and will prohibit any other tenant or subtenant in the building, or on the property, from engaging in activities predominantly related to the offer and sale of products and services similar to those offered by Dirty Dough® Cookies. In the event Landlord does not comply with these restrictions, Tenant will have the right to seek an injunction prohibiting the occupancy by the new competing business or against the existing tenant, as the case may be.
- 11. Landlord shall, upon reasonable request from Tenant's lender, subordinate any interests it may have in Tenant's equipment or other leasehold improvements to Tenant's lender's interests.
- 12. No amendment may be made to the lease without Franchisor's prior written consent (which Franchisor will not unreasonably withhold or delay), and Franchisor may elect not to be bound by the terms of any amendment to the lease executed without obtaining Franchisor's prior written approval to such amendment.

IN WITNESS WHEREOF, the parties have executed this Lease Rider effective as of the date of the lease agreement.

LANDLORD:	TENANT:
By:(Signature)	By:
Name:	(Signature) Name:
•	
Title:	Title:
\sim	()
	(), $()$
	.0,0
	. ()
.()	70
4	
1,5	
Co *	



EXHIBIT "A-7" TO FRANCHISE AGREEMENT

AUTHORIZATION AGREEMENT FOR DIRECT PAYMENTS (ACH DEBITS)

Business Name:		
I hereby authorize Dirty Dough Franchising entries to my checking account or, savings a institution named below, hereinafter called (I acknowledge that the origination of ACH provisions of United States law.	account as indicated ("Depository"), and to	below at the depository financia debit the same to such account
Depository Name:	Branch:	
City:	State:	Zip Code:
Routing Number:	_ Account Number: _	10,4
Type of Account: Checking/Savings:		(A) (B)
This authorization is to remain in full fore notification from me of its termination in suc and Depository a reasonable opportunity to	ch time and in such r	
Name: (please print)	5	
Title:	0/2/8	
Signature:	Date:	

NOTE: ALL WRITTEN DEBIT AUTHORIZATIONS <u>MUST</u> PROVIDE THAT THE RECEIVER MAY REVOKE THE AUTHORIZATION ONLY BY NOTIFYING THE ORIGINATOR IN THE MANNER SPECIFIED IN THE AUTHORIZATION.



EXHIBIT "A-8" TO FRANCHISE AGREEMENT

GUARANTY AND ASSUMPTION OF OBLIGATIONS

-	This G	UAR	ANTY A	ND AS	SSUM	PTION OF OBI	LIGATIONS ("G	uaranty") is enter	ed into a	nd
made (effecti	ve as	s of			by and	between DIRT	Y DOUGH FRANC	CHISING L	LC
("We,"	"Us"	or	"Our")	and	the	undersigned	Guarantor(s)	("Guarantor(s)")	owners	of
					(the "Business I	Entity").			

- 1. Scope of Guaranty. In consideration of and as an inducement to Our signing and delivering the Franchise Agreement dated _______ (the "Franchise Agreement"), each Guarantor(s) signing this Guaranty personally and unconditionally: (a) guarantees to Us and Our successors and assigns that the Business Entity will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Franchise Agreement; and (b) agrees to be personally bound by, and personally liable for the breach of, any provision in the Franchise Agreement, Including confidentiality and the non-competition provisions. Each Guarantor acknowledges and agrees no subsequent amendment, modification, and/or extension of the Franchise Agreement by and between Franchisor and the franchisee thereunder will affect the enforcement or validity of this Guaranty.
- **2. Waivers**. Each Guarantor waives: (a) acceptance and notice of acceptance by Us of Guarantor(s) obligations under this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed by Guarantor(s); (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed by Guarantor(s); (d) any right Guarantor(s) may have to require that an action be brought against the Business Entity or any other person as a condition of Guarantor(s) liability; (e) all rights to payments and claims for reimbursement or subrogation which Guarantor(s) may have against the Business Entity arising as a result of Guarantor(s)' execution of and performance under this Guaranty; and (f) all other notices and legal or equitable defenses to which Guarantor(s) may be entitled in Guarantor(s)' capacity as guarantors.
- **3. Consents and Agreements.** Each Cuarantor consents and agrees that: (a) Guarantor(s)' direct and immediate liability under this Guaranty are joint and several; (b) Guarantor(s) must render any payment or performance required under the Franchise Agreement upon demand if the Business Entity fails or refuses punctually to do so; (c) Guarantor(s)' liability will not be contingent or conditioned upon Our pursuit of any remedies against the Business Entity or any other person; (d) Guarantor(s)' liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which We may from time to time grant to Business Entity or to any other person, Including, without limitation, the acceptance of any partial payment or performance of the compromise or release of any claims (Including the release of other guarantors) and no such indulgence will in any way modify or amend this Guaranty; and (e) this Guaranty will continue and is irrevocable during the term of the Franchise Agreement and, where required by the Franchise Agreement, after its termination or expiration.
- **4. Enforcement Costs**. If We must enforce this Guaranty in any judicial or arbitration proceeding or any appeals, Guarantor(s) must reimburse Us for Our enforcement costs. Enforcement costs include reasonable fees from accountants, attorneys, attorney's assistants, arbitrators, and expert witness fees, costs of investigation and proof of facts, court costs, arbitration filing fees, other litigation expenses and travel and living expenses, whether incurred before, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty.



- **5. Disputes**. Guarantor(s) acknowledge and represent that Guarantor(s) have had an opportunity to review the Franchise Agreement and agree that the provisions of Article XVII (disputes and arbitration) of the Franchise Agreement have been reviewed by Guarantor(s) and by reference are incorporated herein and will govern this Guaranty and any disputes between Guarantor(s) and Us. Each Guarantor(s) irrevocably submits to the exclusive jurisdiction and venue of said arbitration and listed courts. Nevertheless, Guarantor(s) agree that We may also enforce this Guaranty and awards in the courts of the state or states in which a Guarantor(s) is domiciled. Each Guarantor will be held personally, jointly, and severally liable. Any settlement made between Us and the Business Entity or any determination made pursuant to this Agreement will be binding upon the Guarantor(s).
- **6. Counterparts**. This Guaranty may be signed in counterparts including by electronic signatures and other electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original.

IN WITNESS WHEREOF, the Guarantor(s) have respectively signed this Guaranty effective as of the day and year first written above.

Guarantor(s)	Address for Notice
By:	9.10 V
Name:	Email:
By:	6
Name:	Email:
Ву:	A.
Name:	Émail:
ALOIS NOT	

EXHIBIT "A-9" TO THE FRANCHISE AGREEMENT

DIGITAL, SOCIAL MEDIA, AND LISTINGS AUTHORIZATION FOR ASSIGNMENT

This DIGITAL, SOCIAL MEDIA, AND LISTINGS ASSIGNMENT AUTHORIZATION ("Assignment") is made and entered into as of the Effective Date (defined below), by and between the undersigned Franchisee and Dirty Dough Franchising LLC ("Franchisor").

RECITALS

WHEREAS, Franchisee has entered into a franchise agreement with ("Franchise Agreement"); and

WHEREAS, as part of the Franchise Agreement, Franchisee is granted limited rights to use the Dirty Dough® Cookies trademark, trade names, trade dress, and other associated intellectual property (collectively, the "Marks") in conjunction with Franchisee's Franchise Business; and

WHEREAS, all capitalized terms used, but not defined, herein will have the respective meanings assigned to them pursuant to the Franchise Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, recitals, obligations, terms and conditions herein contained, and the acts to be performed by the respective parties hereto, the parties hereto agree as follows:

- 1. Franchisee hereby assigns all rights and interest, Including all associated goodwill, in the Social Media and other digital media accounts used in the Franchise Business or used or created in any way by Franchisee or third parties to promote or use the Marks, Including, Franchisee's Facebook, Instagram, Tik-Tok, Pinterest, Google listings, Twitter, LinkedIn, TumbIr, email accounts, and the like (collectively the "Social Media Accounts"). Franchisee shall take all action necessary to grant exclusive access of the Social Media Accounts to Franchisor, Including providing all passwords and administrative access to such Social Media Accounts.
- 2. Franchisee hereby assigns and transfers, (or in Franchisor's sole discretion disconnects) the telephone listings, telephone numbers, Including the telephone number(s) listed on Marketing and Social Media Accounts, URL's, Internet sites, and web pages used in the Franchise Business or used or created in any way by Franchisee or third parties to promote or use the Marks to Franchisor (collectively "Telephone Listings").
- 3. Franchisee represents, warrants, and covenants the following with regard to the Social Media Accounts and Telephone Listings:
 - a. Franchisee has the right to assign the Social Media Accounts and Telephone Listings, and they are free and clear of all liens and encumbrances.
 - b. Franchisee shall not, after Termination of the Franchise Agreements attempt to access, control, interfere with, or obstruct the Social Media Accounts and/or Telephone Listings.
 - c. Franchisee shall not prevent or hinder Franchisor from enforcing its rights in or to the assigned Social Media Accounts.



- d. Franchisee has not taken, or permitted, and shall not take or permit any action that would prevent Franchisor from enjoying the full benefits of assignment of the Social Media Accounts and Telephone Listings to Franchisor hereunder whether during the term or after the Termination of the Franchise Agreement.
- 4. Franchisee hereby directs and authorizes each company associated with, or in control of, the Social Media Accounts to assign, transfer, set over and otherwise authorize Franchisor to take over and control the Social Media Accounts. If necessary, Franchisee shall execute all documents required by Franchisor to give effect to the assignment of the Social Media Accounts and Telephone Listings to Franchisor hereunder.
- 5. This Assignment applies to all Social Media Accounts and Telephone Listings regardless of whether Franchisee is allowed to manage under the Franchise Agreement or was allowed to create, use, manage, or even own Social Media Accounts and/or Telephone Listings in the past. To the extent Franchisor does not currently have administrative access to a Social Media Account or Telephone Listing of Franchisee, Franchisee shall immediately grant Franchisor such access.
- 6. Franchisor hereby appoints Franchisor as its attorney-in-fact for the above transfers, which appointment is coupled with an interest.
- 7. This Assignment is binding upon the heirs, administrators, personal representatives, assigns and successors in interest to the parties hereto.
- 8. This Assignment is governed, construed and interpreted in accordance with the laws of the state of Utah without giving effect to its conflicts of law provisions.
- 9. This Assignment may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original.

FRANCHISEE:	FRANCHISOR:
	Dirty Dough Franchising LLC
By:(Signature)	By:(Signature)
Name:	Name:
Title:	Title:
Date:	Date:
·S T	



EXHIBIT "A-10" TO FRANCHISE AGREEMENT

CONFIDENTIAL LIFE AND OFFICE AND OFFICE AND OFFICE AND THE AND OFFICE AND OFF



ADDENDUM TO THE DIRTY DOUGH® COOKIES FRANCHISE AGREEMENT

TH	HIS ADDEN	DUM TO FRA	NCHISE AGREEM	IENT ("Addendu	ım") is e	nterec	l into and	made
effective	as of		by and be	etweer	O DIRTY D	OUGH FR	ANCHIS	SING LLC, a	a Utah
limited	liability	company	("Franchisor"	or	"We,"	"Us"	or	"Our")	and
			("Franchis	ee" or	"You" or "	Your").			

RECITALS:

WHEREAS, Franchisee entered into an agreement with Franchisor dated effective _____ ("Franchise Agreement"), which licensed to Franchisee the right to use the Dirty Dough® Cookies name and System as a mobile trailer unit franchise ("Franchise Business"); and

WHEREAS, Franchisor and Franchisee have agreed to make revisions to, or otherwise amend and modify, the Franchise Agreement as set forth herein below; and

WHEREAS, all capitalized terms used, but not defined, herein shall have the respective meanings assigned to them pursuant to the Franchise Agreement, and all references herein to "Article" and "Paragraphs" shall refer to articles and paragraphs to the Franchise Agreement.

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and promises in the Franchise Agreement and herein, it is hereby agreed as follows:

1. **General Provisions**. References to a real estate location, real property, or "Premises" in the Franchise Agreement will refer to Your actual mobile/trailer unit and not the locations where the mobile/trailer unit will operate, and references to the lease or "Lease" in the Franchise Agreement will mean the lease of Your mobile/trailer unit, if any, and the term "landlord" will mean the leaseholder of the mobile/trailer, if applicable. References to supervising, managing, working, or being open full-time are not applicable to Your mobile/trailer unit. Additionally, there may be other language in the Franchise Agreement referring to items that may only apply to physical locations such as furniture, flooring, and physical address of the Franchise Business. Such items may be disregarded if they do not apply to Your mobile/trailer unit.

2. Section 1.1 to the Franchise Agreement is amended in its entirety to read as follows:

"1.1 <u>Award of Franchise</u>. We hereby grant to You, and You accept, subject to the terms, conditions and obligations herein, the non-exclusive, non-transferrable, non-sublicenseable personal right to establish and conduct a Franchise Business as a franchisee and the right to use the System and the Marks only as specifically set forth herein. This right is granted for use only as a mobile/trailer unit. You agree to operate Your Franchise Business only as approved by Us and in strict compliance with the terms and conditions of this Agreement and the Manuals."

3. Paragraph 1.1.1 to the Franchise Agreement is amended in its entirety to read as follows:

"1.1.1 <u>No Protected or Exclusive Territory</u>. You do not receive a Territory for Your Franchise Business and You do not receive a certain protected area radius from which to operate. We have the right to operate and/or sell additional franchises (traditional, non-traditional, and



mobile/trailer franchises) anywhere during the term of this Agreement. You shall have the right to operate at any location, so long as permitted by local law and ordinance and so long as such operation does not violate any other provision of this Agreement. You must receive the prior written approval to operate Your mobile trailer unit inside another franchisee's territory, unless You are seeking to operate at a temporary event, for which no franchisee approval is needed. For all temporary events, You shall provide Us written notice and proof of event permit and if You are the first to provide notice and proof, no other Dirty Dough® Cookies mobile/trailer unit shall be allowed to participate at the same event. Notwithstanding the fact You do not receive a territory, any operation of Your Franchise Business must not violate any other provision of this Agreement."

- 4. Paragraph 1.1.2 to the Franchise Agreement is deleted in its entirety.
- 5. Paragraph 1.1.4 to the Franchise Agreement is deleted in its entirety.
- 6. Sections 4.1 through 4.6, to the Franchise Agreement including subsections, are deleted in their entirety.
- 7. A new Section 4.1 and Paragraph 4.1.1 to the Franchise Agreement is added to read as follows:
- "4.1 Mobile/Trailer Purchase and Design You shall purchase either a cart or trailer package from Us that is wrapped in accordance with Our specifications, and Includes, 1 moffatt oven, 1 proofer over, small wares package 100# propane tank, propane line, NSF stainless 3 compartment sink, chest freezer, water heater, water pump, and one NSL stainless hand sink. You shall not modify the exterior or interior of the trailer or cart without first receiving Our prior written permission. If You desire to modify or add on to Your trailer or cart, and receive Our permission to do so, You shall arrange all fixtures, signs, and décor in strict compliance with Our standards and specifications. The cost of this shall range from \$82,000 to \$95,000.
- 4.1.1 <u>Branded Tent</u>. You may be required to purchase a Dirty Dough Branded tent from Us, that shall be used in association with Your mobile/trailer unit."
 - 8. A new Section 4.2 to the Franchise Agreement is added to read as follows:
- "4.2 <u>Commencing Operations; Conditions to Opening</u>. You shall notify Us in writing at least 30 days before You intend to open the Franchise Business to the public. Before opening, You must satisfy all of the following conditions: 1) You are in compliance with this Agreement; 2) You have obtained all applicable governmental permits, licenses, certificates, and authorizations; 3) the Franchise Business conforms to all applicable System standards; 4) We have inspected and approved the Franchise Business, which may be done virtually; 5) You have hired sufficient employees; 6) Your officers and employees have completed all of Our required pre-opening trainings; and 7) We have given Your Our written approval to open, which will not be unreasonably withheld."
- 9. Section 5.1 and the corresponding fee in Exhibit "A-3" to the Franchise Agreement are amended to require an initial franchise fee of \$29,500.
- Paragraph 6.1.3 to the Franchise Agreement is amended in its entirety to read as follows:
- "6.1.3 <u>Signage</u>. The outside wrap of Your mobile/trailer unit, all menu boards, and signage inside the mobile/trailer unit must display the Dirty Dough® Cookies logo and



trademarks according to Our specifications."

- 11. Paragraph 6.1.8 to the Franchise Agreement is deleted in its entirety.
- 12. The last paragraph of Paragraph 6.1.11 (i) to the Franchise Agreement is amended in its entirety to read as follows:

"In the event of damage to Your mobile/trailer unit, the proceeds of any such insurance must be used to restore the trailer or cart to its original condition as soon as possible (not more than 60 days) unless We consent otherwise in writing."

13. Paragraph 6.1.13(iii) to the Franchise Agreement is amended in its entirety to read as follows:

- "(iii) Security System. You may be required to install a security system on Your mobile/trailer unit. If We require You to install a security system, You are solely responsible for the monitoring, maintenance and upgrades to this system. We will not have independent access. We do not regulate the type of security system, but it must be sufficient to provide real-time alerts and must have sufficient capabilities to adequately protect Your Franchise Business, Your mobile/trailer unit, and Your inventory. You are required to provide Us notice of its installation. By installing the security system, You and Your employees are waiving their right to privacy, and You agree to include a provision in all Your employment applications and other applicable documents requiring Your employees to sign and waive their right to privacy with respect to the use of any security system. You agree to indemnify and hold Us harmless from and against any claim related to Your security system.
- 14. Our right to purchase the assets of Your business as set forth in Section 13.1.1 to the Franchise Agreement includes Your mobile/trailer unit, and the right to use the assets of Your business during the Option Period as set forth in Paragraph 13.1.1 (i) Includes the ability to operate Your mobile/trailer unit during that time."

15. **Miscellaneous.**

- a. To the extent this Addendum shall be deemed inconsistent with any terms or conditions to the Franchise Agreement or Exhibits or attachments thereto, the terms of this Addendum shall supersede and control.
- b. Except as expressly amended or modified herein, all terms, provisions and conditions to the Franchise Agreement (Including personal guarantees) are hereby ratified affirmed.
- c. You understand and agree that We do not warrant or guarantee the success of Your Franchise Business.
- d. As consideration for Franchisor agreeing to the above amendments to the Franchise Agreement, Franchisee and each of them hereby fully and irrevocably release Franchisor, of and from any and all claims, demands, obligations, causes of action, suits or liabilities of any kind and nature, whatsoever, whether known or unknown, suspected or unsuspected, and in whatever legal theory or form relating to or arising out of the franchise relationship, the Franchise Agreement prior to the date hereof.
 - e. This Addendum may be executed in counterparts, including by means of



telefaxed or scanned and emailed signature page or similar electronic means, each of which will be deemed an original, but all of which together will constitute one and the same document.

IN WITNESS HEREOF, each of the undersigned parties hereby acknowledge that they have read this Addendum, understand its contents and consent to be bound by all of its terms.

Dated	
FRANCHISOR:	FRANCHISEE:
DIRTY DOUGH FRANCHISING LLC	
By:(Signature)	By:(Signature)
Name:	Name:
Title:	Titley
CO/CO	
Negoties	

EXHIBIT "A-11" TO FRANCHISE AGREEMENT

CONTRIBERTIAN OFFICIAL OFFICIA



ADDENDUM TO THE FRANCHISE AGREEMENT FOR THE STATE OF CALIFORNIA

- 1. The California Franchise Relations Act, Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with California law, California law controls.
- 2. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.)
- 3. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be fully enforceable under California law.
- 4. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
- 5. The franchise agreement requires binding arbitration. The arbitration will occur at Salt Lake City, Utah with the costs being borne by you for travel to, and lodging in, Salt Lake City, Utah and other costs associated with arbitration. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and Federal laws (this or these as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 128a, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.
- 6. The franchise agreement requires application of the laws of Utah, but the California franchise laws may prevail in some instances. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California laws.
- 7. You must sign a general release if you transfer, renew or terminate your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).
- 8. The franchise agreement provides for waiver of a jury trial. This may not be enforceable in California.
- 9. No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.
- 10. Section 5.1 of the franchise agreement is amended to include the following: "Payment of all initial franchise fees owed to the franchisor, or its affiliate, by the franchisee shall be deferred until after all initial obligations owed to the franchisee under the franchise agreement or other agreements have been fulfilled by the franchisor and the franchisee is open for business."



11. Late Fees in Exhibit "A-3" is amended to include the following: "The highest interest rate allowed in California is 10% annually."



ADDENDUM TO THE FRANCHISE AGREEMENT FOR THE STATE OF FOR THE STATE OF ILLINOIS

Illinois Law governs the franchise agreement.

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

Franchisees rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

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

Section 5.1 is modified to add the following language to the end of the paragraph:

"Payment of all initial franchise fees owed to the franchisor, or its affiliate, by the franchisee shall be deferred until after all initial obligations owed to the franchisee under this Agreement or other agreements have been fulfilled by the franchisor and the franchisee has commenced doing business."

IN WITNESS WHEREOF, the Franchisor and Franchisee have respectively signed and sealed this Franchise Agreement as of ______.

FRANCHISEE:	FRANCHISOR:
	Dirty Dough Franchising LLC
Ву:	Ву:
(Signature)	(Signature)
Name:	Name:
Title:	Title:



ADDENDUM TO THE FRANCHISE AGREEMENT FOR THE STATE OF INDIANA

This	Rider	amends	the	Franchise	Agreement	dated		(the
"Agreemen	t") betw	een Dirty	Doug	ıh Franchisii	ng LLC, ("Fran	chisor")	and	
("Franchise	<u>ລ</u> ").							

- 1. **Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The "Indiana Acts" means the Indiana Franchise Act and the Indiana Deceptive Franchise Practices Act.
- **2. Certain Provisions Deleted**. Any provision of the Agreement which would have any of the following effects is hereby deleted:
- (1) Requiring goods, supplies, inventories, or services to be purchased exclusively from the Franchisor or sources designated by the Franchisor where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by the Franchisor. However, the publication by the Franchisor of a list of approved suppliers of goods, supplies, inventories, or services or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by the Franchisor does not constitute designation of a source nor does a reasonable right of the Franchisor to disapprove a supplier constitute a designation. This subdivision does not apply to the principal goods, supplies, inventories, or services manufactured or tradernarked by the Franchisor.
- (2) Allowing the Franchisor to establish a Franchisor-owned outlet engaged in a substantially identical business to that of the Franchisee within the exclusive territory granted the Franchisee by the franchise agreement; or, if no exclusive territory is designated, permitting the Franchisor to compete unfairly with the Franchisee within a reasonable area.
- (3) Allowing substantial modification of the franchise agreement by the Franchisor without the consent in writing of the Franchisee.
- (4) Allowing the Franchisor to obtain money, goods, services, or any other benefit from any other person with whom the Franchisee does business, on account of, or in relation to, the transaction between the Franchisee and the other person, other than for compensation for services rendered by the Franchisor, unless the benefit is promptly accounted for, and transmitted to the Franchisee.
- (5) Requiring the Franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by the Indiana Deceptive Franchise Practices Act or requiring any controversy between the Franchisee and the Franchiser to be referred to any person, if referral would be binding on the Franchisee. This subsection (5) does not apply to arbitration before an independent arbitrator.
- (6) Allowing for an increase in prices of goods provided by the Franchisor which the Franchisee had ordered for private retail consumers prior to the Franchisee's receipt of an official price increase notification. A sales contract signed by a private retail consumer shall constitute evidence of each order. Price changes applicable to new models of a product at the time of introduction of such new models shall not be considered a price increase. Price increases caused



by conformity to a state or federal law, or the revaluation of the United States dollar in the case of foreign-made goods, are not subject to this subsection (6).

- (7) Permitting unilateral termination of the franchise if such termination is without good cause or in bad faith. Good cause within the meaning of this subsection (7) includes any material violation of the franchise agreement.
- (8) Permitting the Franchisor to fail to renew a franchise without good cause or in bad faith. This chapter shall not prohibit a franchise agreement from providing that the agreement is not renewable upon expiration or that the agreement is renewable if the Franchisee meets certain conditions specified in the agreement.
- (9) Requiring a Franchisee to covenant not to compete with the Franchisor for a period longer than three years or in an area greater than the exclusive area granted by the franchise agreement or, in absence of such a provision in the agreement, an area of reasonable size, upon termination of or failure to renew the franchise.
- (10) Limiting litigation brought for breach of the agreement in any manner whatsoever.
- (11) Requiring the Franchisee to participate in any (A) advertising campaign or contest; (B) promotional campaign; (C) promotional materials, or (D) display decorations or materials; at an expense to the Franchisee that is indeterminate, determined by a third party, or determined by a formula, unless the franchise agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum that the Franchisee may be required to pay.
 - 3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:		5
FRANCHISEE:	19,0	FRANCHISOR:
		Dirty Dougn Franchising LLC
	U 2	
D. a		
By: Name:	$^{\prime}$ $^{\prime}$ $^{\prime}$	By: Name:
Title:	\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	Title:
Date:		Date:
	\ ()	
. ()		
	6	
_()		
.6		



ADDENDUM TO THE FRANCHISE AGREEMENT FOR THE STATE OF MARYLAND

This Addendum dated, 20, LLC, a Utah limited liability company, hereinafte LLC/Inc., hereinafter referred to as "Franchisee."	, by and between Dirty Dough Franchising er referred to as "Franchisor" and
A franchisee may bring a lawsuit in Franchise Registration and Disclosure Law.	Maryland for claims arising under the Maryland
2. Any claims arising under the Maryl must be brought within 3 years after the grant of	and Franchise Registration and Disclosure Law the franchise.
3. The general release required assignment/transfer shall not apply to any liability Disclosure Law.	as a condition of renewal, sale and/or under the Maryland Franchise Registration and
4. All representations requiring pro estoppel or waiver of liability are not intended to r of any liability incurred under the Maryland France	
5. All initial fees and payments owed and services received from the franchisor, shall be opening obligations under the franchise agreements.	
Except as expressly amended or modified horiginal Franchise Agreement shall remain in fuinconsistency between the provisions of this A Franchise Agreement, the provisions hereof shall	ddendum and any provisions of the original
IN WITNESS WHEREOF, and by their signs that they have read, understand and agree to all and have caused this Agreement to be effective a authority of the Company principal they represent	s of the date listed above with the full
FRANCHISOR: DIRTY DOUGH FRANCHISING LLC	FRANCHISEE:
By:	By:
ignature	INDIVIDUALS:
ignature:	Print Name:
5	Signature:



Print Name:

ADDENDUM TO THE FRANCHISE AGREEMENT FOR THE STATE OF MINNESOTA

The disclosure document, franchise agreement, area developer agreement and other related agreements are amended to conform to the following:

1. Governing law, choice of forum, and jurisdiction and venue provisions of the disclosure document, franchise agreement and area developer agreement are amended to include the following:

Minnesota statute '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 agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws or the jurisdiction.

- 2. With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. '80C.14, subdivisions 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.
- 3. As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), franchisor will reimburse the franchisee for any costs incurred by the franchisee in the defense of the franchisee's right to use the Marks, so long as the franchisee was using the Marks in the manner authorized by franchisor, and so long as franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.
- 4. Minnesota Rule Part 2860.4400J prohibits requiring a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of Minnesota, or consenting to liquidated damages, termination penalties or judgment notes.
- 5. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.
- 6. Any limitation of claims must comply with Minn. Stat. 80C.17, subdivision 5.

Franchisee (Signature)



ADDENDUM TO THE FRANCHISE AGREEMENT FOR THE STATE OF NORTH DAKOTA

This Addendum to the Franchise Agreement is agreed to	this,
between Dirty Dough Franchising LLC and	to amend and revise said
Franchise Agreement as follows:	

- 1. The North Dakota Securities Commission requires that certain provisions contained in the Agreement be amended to be consistent with North Dakota Law, including the North Dakota Franchise Investment Law, North Dakota Century Code Addendum, Chapter 51-19, Sections 51-19-01 et seq. Such provisions in the Agreement are hereby amended as follows:
 - No general release shall be required as a condition of renewal and/ or transfer which is intended to exclude claims arising under North Dakota Franchise Investment Law.
 - In case of any enforcement action, the prevailing party is entitled to recover all costs and expenses including attorney's fees.
 - The statute of limitations under North Dakota Law will apply.
 - Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.
 - A provision requiring litigation or arbitration to be conducted in a forum other than North Dakota is void with respect to claims under North Dakota Law.
 - In the event of a conflict of laws, North Dakota Law will control.
 - Franchise may not assent to a waiver of exemplary or punitive damages.
 - Franchisee may not assent to a waiver of jury trial, waiver of rights to exemplary or punitive damages, or waiving his rights to any procedure, forum, or remedies provided for by the laws of North Dakota, or consenting to liquidated damages, termination penalties or judgment notes.
- 2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the North Dakota Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum shall be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

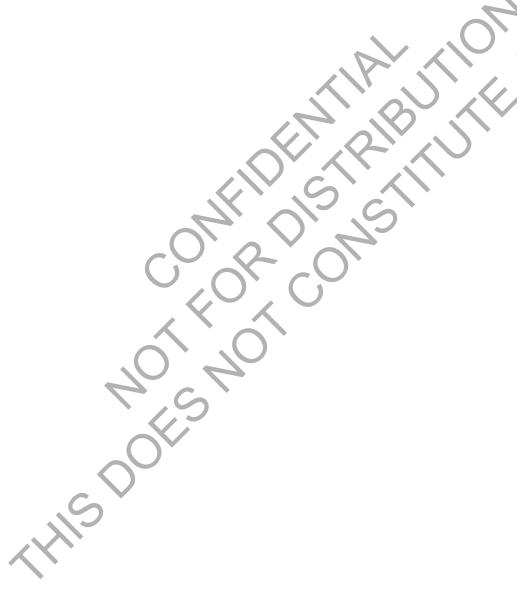
IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum understands and consents to be bound by all of its terms.

Dirty Dough Franchising LLC	Franchisee:
By:	By:
Title:	Title:



ADDENDUM TO THE FRANCHISE AGREEMENT FOR THE COMMONWEALTH OF VIRGINIA

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.





WASHINGTON ADDENDUM TO THE FRANCHISE AGREEMENT, STATEMENT OF PROSPECTIVE FRANCHISEE, AND RELATED AGREEMENTS

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

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.

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.

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 the transfer.

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.

Article XIII of the franchise agreement will be interpreted in accordance with RCW 19.100.180.

Section 14.2 of the franchise agreement empowers the franchisor to purchase the franchise before the termination of the franchise agreement. This is inconsistent with RCW 19.100.180(2)(j) and does not apply to Washington franchisees.

The time limitations to initiate a claim as set forth in Section 17.2.3(iii) of the franchise agreement are hereby amended and extended to the time limits allowed under RCW 19.100.



Section 17.2.3(viii) of the franchise agreement is here by amended as follows:

Federal Arbitration Act. You and We mutually agree that all issues relating to arbitrability are governed exclusively by the Federal Arbitration Act and the federal common law of arbitration to the exclusion of any state statutes or common law and will be decided by the arbitrator. All provisions of this Agreement pertaining to venue, choice-of-laws, dispute avoidance and resolution will be strictly enforced (subject to state law).

Section 20.14 of the franchise agreement is not enforceable in Washington.

The Statement of Prospective Franchisee is amended in part to state that claims arising from the Franchise Investment Protection Act of Washington, chapter 19.100 RCW, and the rules adopted thereunder in accordance with RCW 19.100.220, are not waived.

Section 2 of the Form General Release Agreement (Exhibit "G" to the franchise disclosure document) is hereby omitted and not applicable in the state of Washington.

The undersigned does hereby acknowledge receipt of this addendum.	
Dated this day of	, 20
FRANCHISOR: Dirty Dough Franchising LLC	FRANCHISEE:
By:(Signature)	By:(Signature)
Name:	Name:
Title:	INDIVIDUALS:
	Signature: Print Name:
HO SH	Signature: Print Name:
NISOOF	



ADDENDUM TO THE FRANCHISE AGREEMENT FOR THE STATE OF WISCONSIN

The following shall apply to Franchise Agreements in the State of Wisconsin:

- a. The Wisconsin Fair Dealership Act, Wisconsin Statues, Chapter 135 (the "Act"), shall apply to and govern the provisions of Franchise Agreements issued in the State of Wisconsin.
- b. The Act's requirements, including that in certain circumstances a Franchisee receive ninety (90) days' notice of termination, cancellation, non-renewal or substantial change in competitive circumstances, and sixty (60) days to remedy claimed deficiencies, shall supersede the provisions of Section VIII of the Franchise Agreement to the extent they may be inconsistent with the Act's requirements.

