

## FRANCHISE DISCLOSURE DOCUMENT



FSC FRANCHISE CO., LLC  
A Delaware Limited Liability Company  
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FSC Franchise Co., LLC operates businesses and grants franchises for businesses which operate Beef 'O' Brady's® Family Sports Pubs (“**Family Sports Pubs**”) which provide food and beverage in a family-oriented environment using Family Sports Concepts, Inc.’s trademarks, service marks, trade dress and business system.

The total investment necessary to begin operation of one Family Sports Pub ranges from \$256,500 to \$866,500. This includes \$35,000 that must be paid to the franchisor or its affiliate. The total investment necessary to begin operation as an Area Developer ranges from \$55,000 to \$115,000 (assuming a minimum of 2 and a maximum of 5 Family Sports Pubs), plus the total investment necessary to begin operation of each Family Sports Pub developed. This includes \$35,000 for the first restaurant that must be paid to the franchisor or its affiliate for the first Family Sports Pub developed and \$17,500 for each additional restaurant that must be paid to the franchisor or its affiliate for each subsequent Family Sports Pub to be developed.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Gene Savage at 5660 W. Cypress Street, Suite A, Tampa, Florida 33607, (813)-226-2333, [gene@beefobradys.com](mailto:gene@beefobradys.com).

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

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

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

**Issuance Date: April 5, 2012**

## STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT:

Call the state franchise administrator listed in Exhibit H for information about the franchisor, or about franchising in your state.

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

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION AND LITIGATION ONLY IN FLORIDA. OUT-OF-STATE MEDIATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE OR LITIGATE WITH US IN FLORIDA THAN IN YOUR OWN STATE.

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

3. SPOUSE(S) AND MEMBERS OF IMMEDIATE FAMILIES OF THE FRANCHISEE, THE FRANCHISE OFFICERS, DIRECTORS, PARTNERS, SHAREHOLDERS, AND FRANCHISE MANAGERS ARE BOUND BY THE CONFIDENTIALITY PROVISIONS AND COVENANTS NOT TO COMPETE EVEN IF SUCH SPOUSE(S) AND IMMEDIATE FAMILY MEMBER(S) ARE PROHIBITED FROM OWNING, OPERATING OR PERFORMING SERVICES FOR A COMPETING BUSINESS DURING AND AFTER THE TERM OF THE AGREEMENT.

4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Effective Date: See next page for state effective dates.

### State Effective Dates

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

State	Effective Date
California	April 12, 2012
Illinois	April 11, 2012
Indiana	May 4, 2012
Maryland	
Michigan	April 5, 2012
Minnesota	April 12, 2012
New York	May 7, 2012
North Dakota	
Rhode Island	May 10, 2012
South Dakota	April 11, 2012
Virginia	June 20, 2012
Washington	
Wisconsin	April 11, 2012

In all other states, the effective date of this Franchise Disclosure Document is the Issuance Date of April 5, 2012.

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## **EXHIBITS**

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Exhibit E.	Training Store Waiver and Release
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## **Item 1. THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES.**

To simplify the language in this Disclosure Document, “we,” “us” or “our” means FSC Franchise Co., LLC, the franchisor of Beef ‘O’ Brady’s® Family Sports Pubs. “You” or “your” means the individual, corporation, limited liability company or partnership who signs the Franchise Agreement. If the franchisee will operate through a corporation, limited liability company, partnership or other business entity, “you” or “your” also includes the franchisee’s owners, members or partners.

### **The Franchisor**

We are a Delaware limited liability company, formed on June 27, 2007. Our principal business address is 5660 W. Cypress Street, Suite A, Tampa, Florida 33607. Our agents for service of process are specified in Exhibit H.

### **Our Parents, Predecessors and Affiliates**

The Family Sports Pub concept was originated by James Mellody and Wings 4U, Inc., a Florida corporation (“Wings 4U”), which previously owned the “Beef ‘O’ Brady’s®” service mark. Wings 4U had its last principal business address at 210 S. Kings Ave., Brandon, Florida 33511. Wings 4U and Mr. Mellody subsequently assigned to Beef ‘O’ Brady’s Franchising, Inc. (“BOB”), a Florida corporation, all its rights in the service mark. In April, 1998, BOB assigned all of its rights in the service mark and the right to franchise the System in all territories to our former parent, Family Sports Concepts, Inc. (“FSCI”), a Florida corporation. FSCI’s principal business was the same as ours. In July 2007, we entered into an agreement (the “FSCI Agreement”) with FSCI whereby we acquired all of FSCI’s assets, including its intellectual property rights and the exclusive right to sell Family Sports Pub franchises. FSCI also assigned to us all of its rights under its existing franchise agreements and area development agreements. As a result of the FSCI Agreement, we became the sole and exclusive franchisor of Beef ‘O’ Brady’s® Family Sports Pubs. FSCI is our predecessor. FSC Franchise Holdings LLC is our parent. Its principal business address is 5660 W. Cypress Street, Suite A, Tampa, Florida 33607. FSC Holdings LLC is a Delaware limited liability company that was formed on July 7, 2007 and is owned by a fund controlled by Levine Leichtman Capital Partners (“LLCP”), a private equity firm based in Beverly Hills, California.

FSCI formed the Florida not-for-profit corporation, Beef ‘O’ Brady’s Marketing and Development Fund, Inc. (the “Marketing Fund Corporation”) on May 22, 2000. The Marketing Fund Corporation administers the Marketing and Development Fund (See Item 11). Under the FSCI Agreement, FSCI assigned its rights to administer the Marketing Fund to us. The Marketing Fund Corporation address is the same as ours. The Marketing Fund Corporation does not and has not sold franchises in this or any other lines of business, nor has it ever conducted a Beef ‘O’ Brady’s Sports Pub business.

### **Affiliated Franchise Programs (LLCP)**

Through common control with LLCP, we are affiliated with the franchise programs listed below. None of these affiliates have offered franchises in any line of business other than as listed below and none of them have conducted a business similar to the Beef ‘O’ Brady’s® Family Sports Pubs that you will operate:

Global Brand Franchise Group, LLC is the direct or indirect parent company to the following franchisors, all of which have a principal business address of 1346 Oakbrook Drive, Suite 170, Norcross, Georgia 30093:

TAF Franchising, LLC (“TAF”) franchises the right to operate specialty athletic footwear and footwear accessory stores under the trademarks and service mark THE ATHLETE’S FOOT® and TAF®

(The “**Athlete’s Foot Stores**”). TAF and TAF’s predecessors have offered Athlete’s Foot Store franchises since 1972. As of December 31, 2011, there were 134 franchised Athlete’s Foot Stores in operation in the United States.

GAC Franchising, LLC (“**GAC**”) franchises the right to operate stores that sell cookies, brownies, cupcakes, and related products under the trademark and service mark GREAT AMERICAN COOKIES® (the “**Great American Cookies Stores**”). GAC or its predecessors have offered Great American Cookies Store franchises since 1977. As of December 31, 2011, there were 279 franchised Great American Cookies Stores in operation in the United States.

MaggieMoo's Franchising, LLC (“**MMF**”) previously franchised the right to operate specialty ice cream stores under the trademarks, and service marks MAGGIEMOO'S® and MAGGIEMOO'S ICE CREAM AND TREATERY® (the “**MaggieMoo's Stores**”). MMF or its predecessors have offered MaggieMoo's Store franchises since 1989 and MMF ceased offering MaggieMoo's Store franchises in 2010. As of December 31, 2011, there were 99 franchised MaggieMoo's Stores in operation in the United States.

Marble Slab Franchising, LLC (“**MSF**”) franchises the right to operate specialty ice cream stores under the trademark and service mark MARBLE SLAB CREAMERY® (the “**Marble Slab Stores**”). MSF or its predecessors have offered Marble Slab Store franchises since 1986. As of December 31, 2011, there were 245 franchised Marble Slab Stores in operation in the United States.

PM Franchising, LLC (“**PMF**”) franchises the right to operate specialty pretzel stores under the trademark and service mark PRETZELMAKER® (“**PretzelMaker Stores**”). PMF or its predecessors have offered PretzelMaker Store franchises since 1992. As of December 31, 2011, there were 216 franchised Pretzelmaker Stores in operation in the United States.

PT Franchising, LLC (“**PTFV**”) franchises the right to operate specialty pretzel stores under the trademark and service mark PRETZEL TIME® (“**Pretzel Time Stores**”). PTF or its predecessors have offered Pretzel Time Store franchises since 1992. As of December 31, 2011, there were 56 franchised Pretzel Time Stores in operation in the United States.

Pretzel Holding Corporation is the ultimate corporate parent of Wetzel’s Pretzel’s, LLC (“**Wetzel’s Pretzel’s**”). Wetzel’s Pretzel’s franchises the right to operate Wetzel’s Pretzel’s Bakeries, which are bakeries selling hand-rolled, fresh baked soft pretzels to the public through a retail outlet. Wetzel’s Pretzel’s has offered franchises for Wetzel’s Pretzel’s Bakeries since 1996. As of December 31, 2011, there were 238 franchised Wetzel’s Pretzel’s Bakeries operating in the United States. Wetzel’s Pretzel’s principal place of business is located at 35 Hugus Alley, Suite 300, Pasadena, California 91103.

Lawn Doctor, Inc. (“**LDI**”) franchises the right to operate business that establish, care for and maintain lawns and other vegetation and provide pest control services under the principal trademark and service mark LAWN DOCTOR® (“**Lawn Doctor Businesses**”). LDI has offered Lawn Doctor franchises since 1967. As of December 31, 2011, there 462 Lawn Doctor Businesses in The United States.

### **Description of the Franchise**

**Beef ‘O’ Brady’s® Family Sports Pub System.** We conduct business under the name “**Beef ‘O’ Brady’s®**” and are the exclusive franchisor of the Beef ‘O’ Brady’s® Family Sports Pub System (the “**System**”). The System requires distinctive standards and policies of product quality, service, cleanliness, and other business methods for the operation of Beef ‘O’ Brady’s® Family Sports Pubs. We grant franchises to others to operate Beef ‘O’ Brady’s® Family Sports Pubs (“**Family Sports Pubs**”) using the System under our trade names, trademarks, service marks, associated logos and symbols (the “**Marks**” or “**Marks**”). You have the right to use the System at your Family Sports Pub.

We may give selected franchisees the opportunity to enter into Area Development Agreements which require the development of a specified minimum number of Family Sports Pubs within a defined geographic area over a specified term (an “**Exclusive Area**”) (See Exhibit I). These franchisees pay a development fee (the “**Development Fee**”) the amount of which depends upon the area to be developed, the number of Family Sports Pubs to be opened, and other factors which we specify.

FSCI, BOB, and Wings 4U have not offered franchises in any other line of business and FSCI, BOB and Wings 4U do not operate businesses of the type being franchised. FSCI offered franchises providing the type of business the franchisee will operate from 1998 until July 2007, when we acquired all of FSCI’s assets. We have not offered franchises in any other line of business. Under the FSCI Agreement, we acquired an interest in 4 Family Sports Pubs. We have no other business activities.

FSC also offers franchises in foreign countries and has entered into development agreements for the development of Family Sports Pubs in foreign countries. Unless otherwise stated, the information in this disclosure document does not concern FSC’s international operations or franchising.

**Your Beef ‘O’ Brady’s® Family Sports Pub.** You will be granted an exclusive location at which you will operate your Family Sports Pub (the “**Site**”). You must operate your Family Sports Pub in compliance with standards and policies of product quality, service, and cleanliness, and business methods set forth in the Franchise Agreement and our Confidential Operating Manual (the “**Confidential Operating Manual**”). Your Family Sports Pub must meet our specifications as to exterior and interior decor, furniture and logos, and equipment. Your Family Sports Pub must have general and kitchen managers and other personnel as required by us, the Franchise Agreement, or the Confidential Operating Manual.

We will provide you with training, assistance and services to assist you in the operation, management and promotion of your Family Sports Pub as set forth in the Franchise Agreement and the Confidential Operating Manual and described in Item 11.

You or your designee must devote full time, energy, and best efforts to the management and operation of the franchised business, and will have primary responsibility for your operations and responsibilities under the Franchise Agreement. If you will not be actively supervising and managing the Family Sports Pub, or if you are a business entity, the Family Sports Pub will not be managed and supervised by one of your principal owners who meets the requirements described in Item 15, you must recruit, hire and maintain an operating partner (the “**Operating Partner**”) of the Family Sports Pub who meets the qualifications and conditions described in Item 15. We will provide our initial training program to you or your Operating Partner, and an operating manager of the Family Sports Pub (the “**Operating Manager**”). We may make available other training programs as are appropriate or requested. If you or your Operating Partner and Operating Manager fail to attend or complete the initial training program to our satisfaction, your Franchise Agreement with us may be terminated.

**Competition and The Market.** You will compete with others who offer similar products and services such as national, regional, and local food and beverage businesses. The food and beverage business is highly competitive and constantly changing. The public’s demand for food and beverages is affected by many factors including, without limitation, changing consumer tastes and spending habits, local and national economic conditions, demographics and population, location and traffic patterns, and prices. The operating costs of food and beverage businesses are also subject to change due to economic conditions, government taxes and regulations, and management efficiency. Many of the businesses that compete with Family Sports Pubs have substantial resources, operating histories, and business experience and include national, regional, and local chains. The popularity of Beef ‘O’ Brady’s® Family Sports Pubs is based, in part, on a sports pub and family atmosphere concept. Your efforts to successfully implement a local marketing plan will be necessary to compete with these chains. We believe it offers a unique and superior concept and system, but you will have to compete with other restaurants with a sports pub or family atmosphere theme.



## **Laws, Rules and Regulation**

Your Family Sports Pub will be subject to federal, state and local laws that relate to the operation and construction of restaurants, the sale of alcoholic beverages, and health and safety generally. Various state and federal non-discrimination laws, like the Americans with Disabilities Act, will apply to the construction and operation of your Family Sports Pub. You must consult the applicable building and health codes for specific details on licensing, approval, and operating requirements. In general, the plans for, and the finished construction of, your Family Sports Pub must meet the approval of building and health laws and you must obtain applicable licenses and permits before you can sell food or beverages to the public. You must also obtain a license to sell alcoholic beverages and comply with all applicable laws, rules and regulations in your state and locality. Florida law, for example, requires that you: (1) obtain a certificate from the Division of Hotels and Restaurants, Department of Business and Professional Regulation, Department of Health and Rehabilitative Services or the county health department indicating that your Family Sports Pub meets all of the sanitary requirements of the State of Florida; (2) file a sworn application for an alcoholic beverage license with the district supervisor of the district of the Division of Alcoholic Beverages and Tobacco in which your Family Sports Pub is located; and (3) pay a variable filing fee in connection with the filing of the application. In addition, you and any persons interested directly or indirectly with the application may be required to file a set of fingerprints. You must comply with and/or assist us to the fullest extent possible in our efforts to comply with Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. You will also be responsible for disclosure of certain nutritional information for all standard menu items, as mandated by state and federal law.

### **Item 2. BUSINESS EXPERIENCE.**

#### **Director – Lauren Beth Leichtman**

Ms. Leichtman has served as one of our Directors since April 2010. She has been a Founding Principal of Levin Leichtman Capital Partners in Beverly Hills, California, since 1984.

#### **Director – Kimberly Louise Pollack**

Ms. Pollack has served as one of our Directors since April 2010. She is currently a Managing Director of Levin Leichtman Capital Partners in Beverly Hills, California, with which she has been associated since 2001.

#### **Director and Chief Executive Officer – Chris Elliott**

Mr. Elliott has served as a Director and our Chief Executive Officer since March 2010. From August 2006 until March, 2010, he served as CEO of Fiesta Brands, Inc. in Atlanta, Georgia.

#### **Chief Financial Officer – Chad Hope**

Mr. Hope has served as our Chief Financial Officer since September 2011. From December 2009 through September 2011 he was the International Controller for Focus Brands, Inc. in Atlanta, Georgia. From April 2008 through October 2009, he was the Corporate Controller for Fiesta Brands, LLC in Atlanta, Georgia. From September 2002 through April 2008, he was a Financial Services Auditor for Ernst & Young LLP in Atlanta, Georgia.

### **Chief Operating Officer – Joseph M. Uhl**

Mr. Uhl has been our Chief Operating Officer since July 5, 2010. From March 2010 to June 2010, he served as a consultant to Family Sports Concepts, Inc., located in Tampa, Florida. From October 2009 to March 2010, Mr. Uhl served as an Operating Executive Board Member for Gotham Private Equity, located in New York, New York. From August 2006 to October 2009, Mr. Uhl served as Chief Operating Officer for Fiesta Brands, Inc., located in Atlanta, Georgia.

### **Chief Development Officer – James Walker**

Mr. Walker has served as our Chief Development Officer since June 2010. From November 2006 until May 2010 he served as Chief Development Officer of Baja Fresh in Cypress, California.

### **Director of Franchise Development – Gene Savage**

Mr. Savage has been our Director of Franchise Development since December 2011. Since 2006 and through the present, he has been the Managing Broker of Record for First Choice Business Brokers in El Dorado Hills, California. From May 2008 through December 2010, he served as Director of Franchised Sales and Development for Triune Corporation, the franchisor of Baja Fresh/La Salsa/Canyons Burgers in Cypress, California. From February 2006 through February 2008, he was the Director of Franchise Sales for NexCen Franchise Management in Norcross, Georgia.

### **Area Representatives**

We have appointed Area Representatives in certain geographic areas to solicit franchise owners and perform certain development and support services. See Exhibit G for biographical information on our Area Representatives.

## **Item 3. LITIGATION.**

### **A. Pending Actions**

*Triune, LLC v. Rajiv Khatau, Global Retail Enterprises, LLC and Ask Universal, LLC* (U. S. District Court for the Northern District of Illinois, Eastern Division, Case No. 10-CV-02700, filed April 30, 2010). Triune, LLC, the franchisor of Baja Fresh Restaurants, filed an Amended Complaint for unspecified damages for breach of contract, trademark infringement, unfair competition and violations of the Illinois Deceptive Trade Practices Law against a terminated franchisee who purchased 6 Baja Fresh Restaurants from Fresh Enterprises, LLC in March 2009, operated the Baja Fresh Restaurants as a Baja Fresh franchisee and sublessee for approximately one year, defaulted in the payment of the purchase price, royalty, advertising fees and rent, continued to operate the Baja Fresh Restaurants using the Baja Fresh proprietary marks after termination and then abandoned the businesses. Despite their signatures on 6 separate and individual General Releases and representation by counsel throughout the transactions, on December 30, 2010, the defendants filed a Counterclaim against Triune, LLC, Fresh Enterprises, LLC, David Kim, the Baja Fresh Chief Executive Officer and Managing Member, Thomas Grady, Jr., the Baja Fresh Director of Franchise Development, and James Walker, our current Chief Development Officer and formerly the Baja Fresh Chief Development Officer, alleging fraud and breach of contract on their part in connection with the sale of the Restaurants and violations of the Illinois Franchise Disclosure Act and Consumer Fraud and Deceptive Business Practices Act. Defendants are seeking an unspecified amount of damages, rescission of all pertinent documents and a declaratory judgment that those documents are void. The parties have engaged in discovery. Plaintiff filed a Motion to Dismiss the Defendants' counterclaims, which is set to be heard by the Court on March 14, 2012. A trial date has not been set.

## **B. Litigation Against Franchisees Commenced in the Past Fiscal Year**

### **Cases against franchisees to recover past due royalties and lost future profits:**

*FSC Franchise Co., LLC v. Canice, Inc. and Mary Roop* (Circuit Court for the Thirteenth Judicial Circuit, Hillsborough County, Florida: Case No.: 11-001462). Filed March 9, 2011.

### **Cases against former franchisees to enforce competitive restriction, intellectual property rights, and other post-termination obligations and restrictions**

*Franchise Co., LLC v. The Copeland Family, Inc., Florida Restaurant Holdings, LLC, Donald Copeland, Glynda Copeland, Troy Copeland, and Warner Copeland* (Circuit Court for the Thirteenth Judicial Circuit, Hillsborough County, Florida: Case No.: 11-003087). Filed March 9, 2011.

Except for the actions described above, there is no litigation that is required to be disclosed in this Item.

## **Item 4. BANKRUPTCY.**

*In re Fiesta Brands, LLC*, Case No. 09-85499-CRM, United States Bankruptcy Court for the Northern District of Georgia (Chapter 7 Petition filed September 29, 2009). Two of our officers (Messrs. Elliott and Uhl), formerly served as officers of Fiesta Brands, LLC which filed for bankruptcy protection under the United States Bankruptcy Code in September 2009. The initial Meeting of Creditors was held on October 30, 2009, and the Trustee filed a Report of Assets and Request to Set a Claim Deadline on February 10, 2010. The deadline to file a proof of claim was May 12, 2010. The final report of the trustee was filed on April 12, 2011 and it was approved. Funds were disbursed on May 23, 2011. The Trustees' Final Distribution Report was filed July 21, 2011 and the final decree of bankruptcy was entered by the Court on August 1, 2011.

Other than this action, no bankruptcy is required to be disclosed in this Item.

## **Item 5. INITIAL FEES.**

**Franchise Fee (within the Contiguous United States).** You must pay an initial Franchise Fee of \$35,000 for each franchised Family Sports Pub Restaurant, \$17,500 of which is payable when you sign the Franchise Agreement and \$17,500 of which is payable when you sign your lease for the Family Sports Pub or 30 days prior to ground breaking, whichever occurs first. If you enter into an Area Development Agreement, after paying the Development Fee (as explained below), at the time of signing the lease for each Family Sports Pub opened after the first one, you must pay us \$17,500 (half of the initial Franchise Fee).

**Franchise Fee (outside of the Contiguous United States).** You must pay an initial Franchise Fee of \$35,000 for each franchised Family Sports Pub Restaurant, payable when you sign the Franchise Agreement. If you enter into an Area Development Agreement, after paying the Development Fee (as explained below), at the time of signing the lease for each Family Sports Pub opened after the first one, you must pay us \$17,500 (half of the initial Franchise Fee).

Under limited circumstances, we may in our sole judgment, agree to refund some or all of your initial Franchise Fee (less our administrative expenses) if, despite your good faith efforts, you are unable to locate a suitable site for your Family Sports Pub or you are unable to secure financing. Except as provided above, these fees are not refundable under any circumstance.

Under certain limited circumstances, we may agree to reduce Franchise Fees for an existing franchisee who is purchasing additional franchises or for a new franchisee that agrees to open a Family Sports

Pub in a hotel or other non-traditional location. In 2011, initial Franchise Fees ranged from \$7,000 (for a transfer) to \$35,000 (the full initial Franchise Fee).

We will reduce our Initial Franchise Fee by 10% for veterans who will own a majority interest in a Family Sports Pub, provided that the veteran meets our qualifications for new franchisees.

**Area Development Fee.** If you are qualified and enter into an Area Development Agreement with us, you must pay us an initial Development Fee when you sign the Area Development Agreement. The amount of the Development Fee depends upon the number of Family Sports Pubs to be opened. The Development Fee equals \$35,000 for the first Family Sports Pub, plus \$17,500, multiplied by the number of additional Family Sports Pubs to be developed. For example, if you are a franchisee who will develop 5 Family Sports Pubs to be operated under the Area Development Agreement, the Development Fee will be \$105,000 [ $\$35,000 + (\$17,500 \times 4) = \$105,000$ ]. After paying the Development Fee (as explained above), at the time of signing the lease agreement for each Family Sports Pub opened under the Area Development Agreement after the first one, you must pay us an additional \$17,500 (half of the initial Franchise Fee).

These fees are not refundable under any circumstance.

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**Item 6. OTHER FEES.**

<b>(1) Type of Fee</b>	<b>(2) Amount</b>	<b>(3) Due Date</b>	<b>(4) Remarks*</b>
Royalty (Note 1)	4% (5% outside of the contiguous United States) of previous month's Adjusted Gross Sales (Note 1, Note 4)	Payable each month on the Payment Day designated by us.	ACH required.
Local Advertising	You are required to spend \$5,000 on local marketing during the first 5 months of the operation of your Family Sports Pub and we recommend you spend 2.5% of your monthly Adjusted Gross Sales after that time.	Payable each month on the Payment Day we designate.	See Item 11.
Marketing and Development Fund (Note 2)	Monthly fee of 1.5% of previous month's Adjusted Gross Sales (Note 1, Note 5). We may also charge separate fees for the development, hosting and maintenance of Internet and Intranet Websites, which will vary, depending on the cost of the project. The Marketing and Development Fund may periodically furnish you with samples of advertising, marketing and promotional formats at cost. Multiple copies of these materials will be furnished to you at our direct cost of producing them, plus any related shipping, handling and storage charges.	Payable each month on the Payment Day designated by us.	The Marketing and Development Fund may be used to pay the costs of preparing and producing video, audio, Internet, e-commerce and written advertising materials; administering national and regional advertising programs, including, without limitation, purchasing direct mail and other media advertising and employing advertising, promotion and marketing agencies; supporting public relations, market research, and other advertising, promotion and marketing activities; employing or contracting with consultants or advertising agencies; conducting product development and research; developing new purchasing and marketing programs and campaigns, defraying the reasonable salaries (whether individuals directly employed by us or under agreement with us), and

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks*
			administrative costs and overhead incurred by us or our designees in connection with the Marketing and Development Fund.
Inspection and Testing of Samples from Alternative Suppliers	You or the supplier must pay us the reasonable cost of inspection and testing which is likely to range from \$50 to \$3,000, depending on the product or service being tested.	When we require.	
Software License Fees	An initial set-up fee of approximately \$200 to \$495 per location; \$150 per month.	As required.	Currently, you must purchase, install and maintain an RTIconnect™ Back Office System for each Family Sports Pub you operate.
Software Maintenance Agreement	\$1,000 to \$2,000 per year, with additional charges for after hours support or additional training services	As required.	
Beef's Boot Camp	There are no fees for Beef's Boot Camp for up to 3 trainees (Beef's Boot Camp is mandatory for the Two Designated Managers; 1 additional person may attend at no charge), but you must pay all travel, living and wage expenses incurred by the trainees in connection with the training.	3-4 months before the Family Sports Pub's opening.	It is mandatory for your Operating Partner and your Operating Manager (" <b>Two Designated Managers</b> ") to attend and participate in a 7-week training session. You have the option of sending a 3 <sup>rd</sup> person to this training at no additional cost. At your request, we will train additional persons in addition to the 3 included (the Two Designated Managers plus one additional trainee) prior to the opening or after opening (e.g., new hires), for \$875 per each additional trainee for the 7-week training package, or \$500 per trainee for a 4-week training program for your Back of the House managers.
On-Site Training for First Store	You must pay all wages for you and your employees	Before the Family Sports Pub's	We will provide on-site staff training and opening support

<b>(1) Type of Fee</b>	<b>(2) Amount</b>	<b>(3) Due Date</b>	<b>(4) Remarks*</b>
Opening	incurred in connection with this on-site training. We will pay our costs and expenses for our coordinator and 3 trainers, so long as the store opens on schedule. If, however, you delay the opening date after it has already been agreed upon, all additional expenses incurred will be paid by you (e.g., change fees or rate increases in airfare, hotel, and other travel expenses along with lost wages for trainers due to the rescheduled dates).	opening.	(consisting of 1 coordinator, 1 Front of the House Trainer, 1 Back of the House Trainer and 1 BAR/Front/Back of the House Trainer), 6 days before opening and 6 days post-opening; all training materials and opening menu training package are at no additional charge. The Two Designated Managers who attended the mandatory Beef Boot Camp training will participate in this training session as instructors. If you request additional training support, the fee is \$300 per day per trainer. You are responsible for payment of all travel, wage and living expenses for these additional trainers. In addition, we recommend that you pre-train 2 Front of the House and 2 Back of the House employees for 25 hours at an existing Family Sports Pub (all wages, costs and expenses associated with this training would be at your expense).
On-Site Training for Second or Subsequent Store Opening	All training materials and opening menu training package provided at no charge. You are responsible for all wages and expenses associated with training your new staff.	14-21 days before opening, the new staff is trained.	For your second or subsequent store, we will provide 1 training coordinator for 5 days (3 days pre-opening and 2 days post-opening) of on-site opening support at no additional charge to assist you with training. Before opening your second and any subsequent location, the Two Designated Managers already trained must pre-train staff at your existing location. New hire employees are required to

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks*
			train for 25 hours at an existing Family Sports Pub before the new store opening. You must also provide 3-4 onsite trainers from your existing location to pre-train staff at the new location for 3 days before and 6 days after opening. If additional corporate trainers are requested, we will charge you \$250 per trainer per day (which includes hotel and meals). You must pay all other travel expenses incurred.
Additional On-Site Training for your staff and/or management.	\$900 per 5-day work week per corporate trainer. Plus meal per diem, and travel and hotel expense if applicable.	As incurred	At your request, we will provide additional or refresher training for an additional fee. All training materials will be provided by FSC.
Gross-Up Fees	Varies under circumstances	Upon demand	To insure that we receive a full 4% of Gross Revenues as a Royalty Fee and the full Marketing Contribution that is due, you must pay us, whether in arrears, in advance, in a lump sum or in the same manner that you pay us Royalty Fees and Advertising Fees, the amount of all taxes we must pay on revenue we earn or collect based upon your use of our intellectual property or other intangibles or based upon the existence of the Franchise Agreement.
Remedial Training/On-Site at existing location (Note 3)	\$100-200 per day per trainer; \$350 per package for new menu training materials.	As incurred	If we determine remedial training is necessary, we will provide you with on-site training or assistance, subject to availability of our training personnel. You are responsible for payment of any fees we charge and all



(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks*
			other expenses, including cost of transportation, lodging, meals and wages for you and your employees who attend the training.
Pre-Opening Visit	No additional fees for this training. You must pay all travel, living and compensation expenses incurred in connection with this training, at approximately \$109/night for hotel and \$200 flight.	Before the Family Sports Pub's opening.	We will send a corporate representative to visit your Family Sports Pub before the opening date to determine the status of your building and equipment.
Interest	18% or the highest contract rate of interest permitted by law, whichever is less	When we request	All applicable interest begins from the due date of delinquent payments
Late Fees	10% penalty plus interest (Note 4)	Late charges due immediately upon nonpayment or underpayment.	
Inspection/Audit	Deficiency and late charges plus audit costs under certain circumstances.	Deficiency and late charges plus audit costs due immediately.	Inspection and audit costs payable if deficiency exceeds 3% of fees payable.
Assignment/ Transfer	The lesser of \$20,000 or 50% of the then current Franchise Fee (the "Transfer Fee").	Before transfer.	Assignment or transfer requires our advance written approval.
Transfer Partner Training	The Training Fee for up to 2 Trainees is included in the Transfer Fee, but you are responsible for all travel expenses, including hotel, meals, car rental, air fare, etc.	Before transfer.	A minimum of 2 Designated Managers must be trained for 7 weeks at a Certified Training location (see Item 11). If we provide training to your employees other than the 2 Designated Managers, the Training Fee is \$875 per person for the 7 week program.
Transfer Store Materials (Note 3)	\$350 for the package; ala carte price list available.	At the time of transfer.	All in-store materials must be up to date.
Replacement Manager's Training Material Fee	\$25	At time of training	With our approval, Designated Managers who have completed our initial training may train replacement Managers at

<b>(1) Type of Fee</b>	<b>(2) Amount</b>	<b>(3) Due Date</b>	<b>(4) Remarks*</b>
			their existing location, or a designated approved training location.
Nutritional Analysis Fee (Note 6)	\$250	As incurred	Any food item that is served as a “special” that does not appear on the national menu or corporate sponsored test or promotional window must be approved in advance by us. For these special items, we charge a \$250 per menu item fee to have a nutritional analysis completed on all menu items submitted to us.
Interim Operating Expenses	Reasonable management expenses and costs.	To be determined.	Management expenses and costs apply when we operate your Family Sports Pub on an interim basis.
Replacement Manuals	Currently \$75-\$350	When you order the replacement Manuals	If your copy of the Manuals is lost, destroyed or significantly damaged, you must obtain a replacement copy at our then applicable charge, unless we have made on-line Manuals accessible to you. If so, you may use the on-line Manuals instead of purchasing other printed Manuals.
Renewal	20% of our then current Franchise Fee.	Upon signing successor agreement.	If you are in compliance with the Franchise Agreement, we may grant you up to 2 successor franchises each with 5-year terms.
Area Development Agreement – Extension Fee	Balance of the Franchise Fees for the number of undeveloped restaurants	When we grant the extension	If you do not meet your Minimum Development Quota obligations under an Area Development Agreement as of the end of any Development period shown on the Development Schedule, we may (but are not obligated to) grant you an extension under the Development Schedule for a

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks*
			non-refundable extension fee equal to the balance of the Franchise Fees for the number of Family Sports Pubs that are to be constructed under the Development Schedule but are not yet under construction that are behind the Development Schedule.

\* Your required expenditures on local advertising, the travel, wages and living and expenses you incur in connection with training and the cost of the Software Service Plan are all non-refundable. Unless otherwise stated, all fees on this table are uniformly imposed by, payable to and collected by us and are non-refundable. We may waive certain fees we impose, in our discretion.

Note 1 As used in the Franchise Agreement, the term “**Gross Sales**” means all revenue you derive from operating the Family Sports Pub, including, for example, all amounts you receive at or away from the Site from any activities or services whatsoever, including any that are in any way associated with the Marks, and whether from cash, check, barter, credit or debit card or credit transactions, including the redemption value of gift certificates redeemed by you regardless of whether the gift certificates are issued by you or someone else; but excluding (1) all federal, state or municipal sales, use or service taxes collected from customers and paid to the appropriate taxing authority; and (2) customer refunds, adjustments, credits and allowances actually made by the Family Sports Pub. Gross Sales also includes revenues from delivery service sales, retail, concessions, hotel room service, catering, special functions, etc. and sales of products bearing or associated with the Marks. (See Note 5 regarding “**Your Operating Account**”).

As used in the Franchise Agreement, “**Adjusted Gross Sales**” means Gross Sales less: (a) complimentary food and beverage service, or sums collected and actually paid by you for any sales, drink or other excise tax imposed by any duly constituted governmental authority on alcoholic beverages sales in a state that prohibits the payment of Royalties on the sales; (b) the value of gift certificates and the amounts paid for them; and, (c) the amount of all reasonable over-rings, allowances, discounts to customers, tips to employees (including discounts attributable to coupon sales as determined by us in our sole judgment, provided they have been included in Gross Sales). If we determine in our sole judgment that the amount of over-rings, allowances, and discounts to customers is excessive as compared to the system-wide average, we may require you to increase the amount of your Adjusted Gross Sales in the amount that we determine.

The Royalty fee is uniformly imposed. However, under rare circumstances, we may agree to temporarily reduce a franchisee’s monthly Royalty fee payment as circumstances warrant.

Note 2 These fees are non-refundable and are imposed by and are payable to us for use by the Marketing and Development Fund. The Marketing and Development Fund may periodically furnish you with samples of advertising, marketing and promotional formats and materials at no cost. Multiple copies of these materials will be furnished to you at our direct cost of producing them, plus any related shipping, handling and storage charges.

Note 3 If a member of the Home Office Training Department administers this on-site training, the fee is \$100 per day, per trainer. If we must designate a trainer from one of our other stores to administer the training, the fee is \$200 per day, per trainer. You must ensure that all in-store materials are up to date. If you require New Menu Training materials, which include posters, playbooks, manuals, menus, etc., the cost is \$350 per package. You may also purchase these items separately.

Note 4 Any applicable interest begins from the date of underpayment.

Note 5 Your Operating Account. You must maintain a bank account (the “**Account**”) which is the sole depository for Gross Sales proceeds and all other funds received from the operation of your Family Sports Pub. Failure to do so is considered a default under the Franchise Agreement. You must give us authorization to initiate debit entries or credit correction entries to the Account for payments of Royalties and other amounts due us under the Franchise Agreement, including any applicable interest charges. You must make the funds available in the Account for withdrawal by electronic transfer. You may not change or close the Account before getting our approval.

The amount transferred from the Account to pay Royalties for each reporting period will be based on your Family Sports Pub's Adjusted Gross Sales as determined by us based on our review of your point of sale system. We may also require you to report your Family Sports Pub's Gross Sales and Adjusted Gross Sales to us on a monthly basis in the form and at the time that we designate in our Manuals or otherwise. If we require you to report and we determine at any time that you have under-reported Gross Sales or Adjusted Gross Sales or underpaid Royalties or other amounts due to us, we can immediately initiate a transfer from the Account in the appropriate amount, including applicable interest and late charges. Any overpayment will be credited to the Account, effective as of the first reporting date after you and we determine that the credit is due.

Note 6 Any food items not purchased through us must be approved in advance by us. If any ingredients are sourced via a non-Beef ‘O’ Brady’s distribution center, there may be a fee or we may require you to provide proof of inspection of the new vendor by a nationally recognized inspection body such as AIB International. The government may assess fees, fines or other penalties for restaurants that do not conform to these guidelines, so failure to adhere to these policies may put us financially at risk, as well as at risk of negative publicity.

**Item 7. ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT  
FOR A SINGLE FAMILY SPORTS PUB**

<b>(1) Type of expenditure</b>	<b>(2) Amount</b>	<b>(3) Method of Payment</b>	<b>(4) When due</b>	<b>(5) To whom payment is to be made</b>
Initial Franchise Fee	\$35,000 (Note 7)	Lump Sum	As Agreed (see Note 7)	Us
Kitchen & Pub Equipment/Smallwares	\$80,000 – \$190,000	As supplier requires	As Incurred	Vendor
Furniture & Millwork	\$20,000 – \$60,000	As supplier requires	As Incurred	Vendor
TV/Sound System	\$20,000 – \$50,000	As supplier requires	As Incurred	Vendor

(1) Type of expenditure	(2) Amount	(3) Method of Payment	(4) When due	(5) To whom payment is to be made
Architect Fees & Permits	\$3,500 – \$20,000	As supplier requires	As Incurred	Architect, Gov't Agencies
Pub Lease (Note 1)	\$8,000 – \$16,000 per month	As landlord requires (1st Month Rent in Advance)	As Incurred	Landlord–Realtor
Pub Build-out (Note 2)	\$40,000 – \$350,000	As supplier requires	Before Opening	Lessor, contractors, etc.
Opening Inventory	\$12,000 – \$25,000	As supplier requires	Before Opening	Vendors
Signs	\$4,000 – \$10,500	As supplier requires	Before Opening	Vendors
Insurance	\$4,000 – \$20,000	As insurer or agent requires	As Incurred	Agent
Business & Alcoholic Beverage Licenses (Note 3)	\$500 – \$20,000	As agency requires	As Incurred	Govt. Agencies
Computer System (Note 4)	\$18,000 – \$30,000	As supplier requires	Before Opening	Vendor
Legal & Accounting	\$1,000 – \$5,000	As supplier requires	As Incurred	Attorney, Accountant, etc.
Franchise Opening Costs (exclusive of food and beverage inventories and local marketing), including utility deposits	\$6,000 – \$10,000	As supplier requires	Before Opening	Us, Marketing and Development Fund, Suppliers, etc.
Promotional and Advertising – 4 Months	\$2,000 – \$5,000	As supplier requires	As Incurred	Print media, broadcasters
Additional Funds – 3 Months (Note 5)	\$2,500 – \$20,000	As supplier requires	Monthly except bi-weekly payroll	Start-up capital, employees wages, etc.
<b>Total (Note 6, 8) – \$256,500 – \$866,500 (excluding real property)</b>				

\* Set forth above is an estimated break-down of the various items for which you will incur expenses during the start-up and initial operation of your Family Sports Pub. Ranges are provided for some items because they depend upon factors that may vary such as site location, size of your Family Sports Pub, and

other local market conditions and circumstances. These ranges are based on the operating expenses of franchised Family Sports Pubs and are not maximum or minimum amounts. We prepared these estimates based upon the experience of our management and Family Sports Pubs. You should review these estimates carefully with a business advisor before making a decision to enter a Franchise Agreement or Area Development Agreement.

Note 1: These estimates do not include the cost of real estate since it is assumed that you will rent the space for your Family Sports Pub. Annual rent is based on the commercial lease of approximately 3,000 square feet, including one month's rent as an initial security deposit, plus 6.0% sales tax (your sales tax may differ).

Note 2: The pub build-out varies depending on the landlord and/or vendor contributions.

Note 3: The expenses that you will incur to obtain a permit or license to sell alcoholic beverages in your Family Sports Pub could be substantially in excess of \$5,000. Since the availability and expenses of acquiring an alcoholic beverage license or permit varies substantially from jurisdiction to jurisdiction, you should consult the appropriate governmental authority concerning the availability of alcoholic beverage licenses or permits and the associated expenses for your Family Sports Pub before you sign a Franchise Agreement. In some jurisdictions, the costs of these licenses may far exceed the amounts estimated.

Note 4: This includes the cost of the Computer System, Software and the Annual Help Desk software support fee, and purchase of services agreements from our approved vendors. You may choose to purchase additional computer software, hardware, support and training services for additional amounts. You are also required to have on-line access to the Internet. This cost also includes on-line (like Internet) connection and service fees.

Note 5: This figure covers miscellaneous expenses for the first 3 months operation of your Family Sports Pub. The additional funds required will vary by your area; how much you follow our methods and procedures; your management skill, experience and business acumen; the relative effectiveness of your staff; local economic conditions; the local market for your products and services; the prevailing wage rate; competition; and the sales level reached during the initial period. We have relied on our management's experience and on the experience of franchised Family Sports Pubs in formulating this estimate.

Note 6: These totals are based on estimated expenses. We cannot guarantee that you will not incur additional expenses in starting your Family Sports Pub's operations. Your actual costs will depend on factors such as: how closely you follow our methods and procedures; your own management skills, experience, and business acumen; local economic conditions including wage rates and your property lease; the local market for your Family Sports Pub, including the effects of competitors' products and services; and the level of revenues generated during the initial period. We do not offer direct or indirect financing to you for any of the initial investment. This amount may be less to the extent you obtain a build-out allowance from the lessor of the premises of your Family Sports Pub.

Note 7: If your territory is located within the contiguous United States, your initial Franchise Fee of \$35,000 is payable 50% upon signing of Franchise Agreement and 50% when you sign your lease or 30 days prior to ground breaking, whichever occurs first. If your territory is located outside the contiguous United States, your initial Franchise Fee of \$35,000 must be paid in full upon signing of the Franchise Agreement. If you are an Area Developer, the initial

Franchise Fee is \$35,000 for your first Family Sports Pub and \$17,500 for each additional Family Sports Pub opened under your Area Development Agreement. (See Item 5).

Note 8: All fees paid to us are fully earned and non-refundable.

**YOUR ESTIMATED INITIAL INVESTMENT FOR AREA DEVELOPERS**

(1) Type of expenditure	(2) Amount	(3) Method of Payment	(4) When due	(5) To whom payment is to be made
Development Fee (Note 1)	\$52,500 – \$105,000	One installment	On Signing Development Agreement	Us
Legal & Accounting	\$2,500 – \$10,000	As third party specifies	As Incurred	Attorney, Accountant
<b>Total (Note 2 and 3) \$55,000 – \$115,000 (excluding real property)</b>				

Note 1: The low end of the Development Fee is for 2 units and the high end is for 5 units (but this is not a maximum). (See Item 5 for the formula used for determining the Development Fee).

Note 2: If you participate in the Area Development Program, you must own and operate multiple Family Sports Pubs. The Estimated Initial Investment for a single Family Sports Pub set forth above will apply to each Family Sports Pub opened under the Development Agreement. However, while the Franchise Fee for your first Family Sports Pub will be \$35,000, the Franchise Fee for each additional Family Sports Pub you open in the Development Area will be \$17,500 if you meet your Development Schedule. (See Item 5).

Note 3: All fees payable to us are fully earned and non-refundable when paid.

**Item 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES.**

**Required Purchases.** You must purchase from us or our designated sources various goods, services, supplies and inventory relating to the establishment or operation of your Family Sports Pub. You must purchase our wing sauces from our designated suppliers, currently I-Supply and Sysco. We own the rights to the special sauce recipes and currently receive up to \$11.50 per case from our designated suppliers for the sale of the special sauces to Family Sports Pubs as compensation for the use of the recipes and quality control maintenance. Your cost for the special sauces will represent less than 1% of your overall cost to operate a Family Sports Pub. In the fiscal year ending December 31, 2011, our total revenues were \$9,103,436 and we received \$433,882 or 5% of our total revenues in wing sauce rebates. We may add designated suppliers or products by notice to you through additions to the Confidential Operating Manual.

**Computer Hardware and Software.** You must install and utilize computer hardware and software that we designate that enables you to communicate gross sales and other operating data directly to us and engage in e-mail, intranet, internet, or point of sale functions, or other functions or uses we may designate (Item 11). We may require that you purchase on-going software or hardware support or maintenance products or services in connection with designated hardware or software. You must use this computer system for on-line reporting of the sales and other information from your computer to us that the Franchise Agreement or Confidential Operating Manual requires. The cost of computer hardware and software

purchased in accordance with our specifications represents approximately 5% of your total purchases in connection with establishment of your Family Sports Pub.

**Approved Suppliers and Supplier Specifications.** You must also purchase or lease goods, services, supplies, fixtures, equipment, inventory or real estate relating to the establishment or operation of a Family Sports Pub in accordance with the specifications and standards established by Family Sports Pubs identified in its Confidential Operating Manual. We may modify the specifications and standards in writing, and may add specifications in writing. The purchase of products and services in accordance with Family Sports Pubs' specifications and standards constitutes less than 60% of the cost to establish a Family Sports Pub and less than 5% of the cost to operate a Family Sports Pub.

You must also purchase or lease certain goods, services, supplies, fixtures, equipment and inventory from approved suppliers. There are no items for which we or our affiliates are approved suppliers or the only approved suppliers. None of our officers has an ownership interest in any of our approved suppliers. The purchase of products from approved suppliers constitutes less than 30% of the cost to establish a Family Sports Pub and less than 40% of the cost to operate a Family Sports Pub. If you wish to purchase these items from another supplier, you can make a written request to us. We are not able to provide you with any specific criteria we use in considering alternative suppliers; however, we may examine any factor in making the determination. Based on information obtained by inspection, testing of samples, and other factors, we will determine whether the proposed supplier is acceptable. The time frame for our evaluation of requests to approve suppliers will vary depending on numerous factors. Some of these include the type of product, location of the supplier, cooperation and extent of negotiation with the prospective supplier on the various supply terms and confidentiality and the extent of any testing and whether third parties are involved (like testing services and distributors). We anticipate that the process will usually range from 30-60 days but could take longer depending on the circumstances, many of which are beyond our control. You or the supplier must pay the reasonable cost of this inspection and testing, which is likely to range from \$50 to \$3,000, depending on the product or service being tested. Our approval may be revoked at any time by giving you written notice.

**System Standards.** We may periodically modify System Standards, which may accommodate regional or local variations as we determine. These modifications may obligate you to invest additional capital in the Family Sports Pub ("**Capital Modifications**") and/or incur higher operating costs. We will not obligate you to make any Capital Modifications when the investment cannot, in our reasonable judgment, be amortized during the remaining term of your Franchise Agreement, plus all eligible successor periods, unless we agree to extend the term of your franchise so that the additional investment, in our reasonable judgment, may be amortized; unless the additional investment is necessary in order to comply with applicable laws. You will have up to 90 days to comply with Capital Modifications we require. However, if a Capital Modification requires an expenditure of more than \$20,000 then you will have up to 180 days to comply from the date we request you to comply with the Capital Modification. You must comply with all modifications to System Standards, including Capital Modifications, within the time period we specify. We will not require you to spend in any 12-month period during the term of the Franchise Agreement, in connection with Capital Modifications, more than 25% of our high estimate of the total cost of leasehold improvements, furniture, fixtures and equipment from Item 7 of our Franchise Disclosure Document

**Revenues Received.** In addition to the wing sauce rebate described above, we may receive payments from other approved suppliers for purchases by franchisees for the procurement and other services we provide. In addition, the system's primary distributors, Sysco and I-Supply, add a fee to each franchisee order invoice in the amount of 0.8% of the total order, which added fee is then remitted to the Marketing Fund Corporation ("**Marketing Delivery Fee**"). During the fiscal year ended December 31, 2011, Marketing and Development Fund's total income was \$5,173,554, of which \$632,713 was revenues from franchisee purchases from approved suppliers (12% of Marketing and Development Fund's total



income) and \$1,325,136 was in Marketing Delivery Fees (25% of Marketing and Development Fund's total income).

FSC's distributor Sysco adds \$.12 per case to all product cases purchased by franchisees, which amount Sysco pays to FSC. FSC's distributor I-Supply adds \$1.00 per case on Twister and Regular French Fry purchases by franchisees, which amount I-Supply pays to FSC (collectively, the payments to FSC from Sysco and I-Supply from franchisee product purchases is referred to as the "**Dead Stock Fund**"). In addition to the payments from Sysco and I-Supply, FSC may also receive other vendor rebates which amounts are deposited into the Dead Stock Fund. FSC designates the use of the Dead Stock Fund as an appropriate need arises, such as paying for expired inventory, paying for inventory deemed obsolete, paying for left over products from limited time offerings, paying FSC's purchasing consultant, conducting research and development, and handling other related uses. In the fiscal year ending December 31, 2011, our total revenues were \$9,103,436 and we received \$369,491.76 or 4% of our total revenues in amounts deposited into the Dead Stock Fund.

Our Supply Management Group may negotiate purchase arrangements with approved suppliers for all franchisees to purchase Approved Products at favorable group prices.

Except as described above, neither we nor our affiliates currently derive any revenue or other material consideration as a result of required purchases or leases. There are currently no purchasing or distribution cooperatives. We currently negotiate purchase agreements, including price terms, with suppliers for the benefit of our franchisees.

**Insurance.** Before you begin operations, you must secure, and throughout the term of the franchise maintain, at your expense, certain insurance on your business. You will be required to show proof of coverage and submit this proof on a periodic basis to the Home Office, usually annually. The insurance required and the amounts necessary may vary by state, so please check with your state agencies to ensure that your business is properly covered. More detailed information about your insurance requirements is described below.

**Types Of Insurance Required.** During the term of your Franchise Agreement, you must maintain in force, at your expense and under policies of insurance issued by carriers approved by us, the following types of insurance coverage:

- (i) "umbrella" liability insurance;
- (ii) liability insurance against liability for personal services care and negligence; and
- (ii) business interruption insurance.

**Types Of Insurance Recommended.** In addition to the required insurance types, we recommend that you also maintain in force, at your expense and under policies of insurance issued by carriers approved by us, the following types of insurance coverage:

- (i) comprehensive, public and product liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the operation of your Family Sports Pub;
- (ii) general casualty and property insurance including fire, flood, hurricane, vandalism and malicious mischief, and extended coverage insurance with a full replacement value of your inventory and contents of your Family Sports Pub, covering such risks as are covered in the Standard Extended Coverage Endorsement;

- (iii) comprehensive motor vehicle insurance (including personal injury protection, uninsured motorist protection, and “umbrella” coverage) for any motor vehicles operated by your Family Sports Pub;
- (iv) workers’ compensation in the amounts required by applicable law for your Family Sports Pub;
- (v) comprehensive crime and blanket employee dishonesty insurance;
- (vi) such other insurance as is required by lease or other financing document (if any) for the Family Sports Pub; and
- (vii) other insurance policy types recommended by your insurance advisor.

**Coverage Requirements.** You must maintain the insurance coverages in the minimum amounts we prescribe from time-to-time in our System Standards. We may periodically increase or decrease the amounts of coverage required under these insurance policies and require different or additional kinds of insurance at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes and circumstances.

**Policy Terms.** All insurance policies you obtain and maintain must:

- (i) contain no provision which in any way limits or reduces coverage for us in the event of any claim by us or any of our affiliates, directors, officers or agents;
- (ii) extend to provide indemnity for all obligations assumed by you under your Franchise Agreement and all items for which you are required to indemnify us under the provisions of your Franchise Agreement or otherwise;
- (iii) name us as additional insureds;
- (iv) contain a waiver of the insurance company’s right of subrogation against us;
- (v) provide that the coverage afforded applies separately to each insured against whom a claim is brought as though a separate policy had been issued to each insured;
- (vi) provide that the insurance company will provide us with at least thirty (30) days’ prior written notice of termination, expiration, cancellation or material modification of any policy; and
- (vii) provide that you cannot reduce the policy limits, restrict coverage, cancel or otherwise alter or amend the policies without our prior written consent.

**Evidence of Coverage.** Before the expiration of the term of each insurance policy, you must furnish us with a copy of each new, renewal or replacement policy you have obtained to extend your coverage, along with evidence of the premium payment. You must also allow any inspections of your Family Sports Pub required to obtain or maintain the insurance.

**Impact of Not Meeting Our Insurance Requirements.** If you do not maintain the required insurance coverage, or do not furnish us with satisfactory evidence of insurance coverage and premium payments, we may obtain, at our option and in addition to our other rights and remedies under your

Franchise Agreement, any required insurance coverage on your behalf. If we do so, you must fully cooperate with us in our effort to obtain the insurance policies and must promptly sign all forms required to obtain or maintain the insurance. Finally, you must pay us, on demand, any costs and premiums we incur in obtaining insurance on your behalf.

**Insurance Does Not Waive or Limit Your Obligations.** Your obligation to maintain insurance coverage and/or our maintenance of insurance on your behalf will not reduce or absolve you of any obligations of indemnification described in your Franchise Agreement.

**These Are Minimum Insurance Requirements.** You should consult with your own insurance advisor/broker regarding any additional insurance needs. These are only minimum coverage requirements. You may need more. In general, if you will need more will depend on your own financial situation, risk tolerances and local risk issues.

**Improvements.** If you develop any new concept, process or improvement in the **System** (an “**Improvement**”), you must promptly notify us and provide us with all necessary related information, without compensation. Any Improvement will become our sole property and we will be the sole owner of all related intellectual property rights. You must assign any rights you may have or acquire in the Improvements, to us, including the right to modify the Improvement, and you will waive and/or release all rights of restraint and moral rights to the Improvements. You will assist us in obtaining and enforcing the intellectual property rights to any Improvement in any and all countries and you agrees to execute and provide us with all necessary documentation for obtaining and enforcing such rights. You will appoint us agent and attorney-in-fact to execute and file any documentation and to do all other lawful acts to further the prosecution and issuance of intellectual property right related to any Improvement.

**Item 9. FRANCHISEE’S OBLIGATIONS.**

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

<b>Obligation</b>	<b>Section(s) in Franchise Agreement</b>	<b>Section(s) in Area Development Agreement</b>	<b>Disclosure Document Item</b>
a. Site selection and acquisition/lease	Sections 2 and 4	Section 5	Items 6 and 11
b. Pre-opening purchases/leases	Sections 4, 5 and 6	Sections 3, 4, 5 and 6	Item 7, 8 and 11
c. Site development and other pre-opening requirements	Sections 2, 4, 5 and 6	Sections 3 and 5	Items 6, 7 and 11
d. Initial and ongoing training	Section 3.4 and 7	Not Applicable	Items 6, 7 and 11
e. Opening	Sections 3.4, 5, 7 and 11	Section 2, 3 and 4	Item 11
f. Fees	Section 3, 6, 7 and 12	Section 4	Items 5, 6 and 7

<b>Obligation</b>	<b>Section(s) in Franchise Agreement</b>	<b>Section(s) in Area Development Agreement</b>	<b>Disclosure Document Item</b>
g. Compliance with standards and policies/ Confidential Operating Manual (Note 1)	Sections 3, 4, 5, 6, 7, 9 11, 12, 13 and 21	Sections 3, 5, 7 and 8	Items 11 and 17
h. Trademarks and proprietary information	Sections 5, 8, 9, 11 and 12	Sections 7 and 8	Items 13, 14 and 17
i. Restrictions on products/services offered	Sections 5, 8 and 11	Sections 3, 5, 7 and 8	Item 16 and 17
j. Warranty and customer service requirements	Not Applicable	Not Applicable	Not Applicable
k. Territorial development and sales quotas	Not Applicable	Section 2, 3 and 5	Item 12
l. Ongoing product /services purchases	Section 5 and 11	Section 3, 5 and 8	Item 8
m. Maintenance, appearance and remodeling requirements	Section 5 and 11	Section 3, 4, 6 and 8	Item 11 and 17
n. Insurance	Section 11.2	Section 3 and 12	Items 7 and 8
o. Advertising	Sections 5, 8, 11 and 12	Section 3, 7 and 8	Items 6 and 11
p. Indemnification	Section 18	Section 12	Item 6
q. Owner's participation/management /staffing	Sections 5 and 7	Section 6	Items 11 and 15
r. Records and reports	Section 3, 4, 6, 10, 11 and 13	Sections 3, 4, 5 and 10	Item 6, 11 and 17
s. Inspections and audits	Sections 6 and 14	Section 3, 4, 5 and 10	Items 6, 11 and 17
t. Transfer	Section 15	Section 11	Item 17
u. Renewal	Section 3	Section 2 and 3	Item 17
v. Post-termination obligations	Sections 16 and 17	Sections 9 and 10	Item 17
w. Non-competition covenants	Sections 10, 17 and 19	Section 7, 10 and 13	Item 17
x. Dispute resolution	Section 19	Section 13	Item 17
y. Other: Principal Owner's Guaranty	Section 1.5 (f), Exhibit E	Section 1.4 (e)	Item 15

Note 1: If we request, you must provide initial training, Opening On Site Assistance or additional or refresher training to new franchisees or existing franchisees. If we require you to provide training to another franchisee, we will pay you a fee, determined by us, in the amount which we determine to be your cost to provide the training to the franchisee, plus a reasonable fee, determined by us, for your training efforts.

**Item 10. FINANCING.**

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligation. Neither we nor any of our affiliates receive any consideration for placing financing with any lender.

**Item 11. FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING.**

**Except as listed below, we are not required to provide you with any assistance.**

**Pre-Opening Obligations.** Before you open the Family Sports Pub, we will:

1. Assist you with the selection of a suitable site for your Family Sports Pub which you must find within 180 days of signing the Franchise Agreement (the “**Site Selection Period**”), subject to our approval. You must, during the first 15 days of the **Site Selection Period**, obtain our approval of an intersection of streets or other landmark that will form the center (the “**Center**”) of the Site Selection Area (the “**Site Selection Area**”), which consists of the area within a 3-mile radius of the Center. Upon our approval of the Center, we will complete and send to you **Exhibit A-1 to the Franchise Agreement** evidencing our approval of the Center. You must then, during the first 60 days of the Site Selection Period, submit a proposed Site to us for our review and approval. We will approve or disapprove a location you propose for the Family Sports Pub within 30 days after we receive the complete site report and other materials we request. The Site must meet our then-current criteria for demographic characteristics, traffic patterns, parking, character of neighborhood, suitability of the site for a Family Sports Pub, competition from and proximity to other businesses and other Family Sports Pubs, the nature of other businesses in proximity to the Site and other commercial characteristics, and the size, appearance and other physical characteristics of the proposed Site. If we cannot agree on a Site, we may terminate the Franchise Agreement. Upon our acceptance of the lease, we will complete and send to you **Exhibit A-2 to the Franchise Agreement** evidencing our acceptance of the lease. Our approval of the lease indicates only that we believe that its terms fall within the acceptable criteria we have established as of the time of our approval. (**Franchise Agreement – Sections 2 and 4, and its Exhibits A-1 and A-2**).
2. Furnish you with access to prototype design plans, specifications, decor and layout for a Family Sports Pub, including requirements for design, color scheme, image, interior layout and operation assets which include fixtures, equipment, signs and furnishing. We will also designate and recommend suppliers of goods and services, such as the Operating Assets, approved products and services, and decorations for the site. (**Franchise Agreement – Sections 5.1, 5.2, 5.3, 5.4 and 5.5**).
3. Assist you, at your request, in developing the Family Sports Pub by recommending architects, construction contractors, equipment suppliers, and otherwise furnishing information to assist you in developing the Family Sports Pub in accordance with our specifications. However, at your expense: you must have complete and detailed construction drawings prepared by an architect approved by us; secure all financing, obtain permits and licenses for the Family Sports Pub; construct or have your landlord or its designee construct improvements and decorate the Family Sports Pub according to our standards and specifications; purchase or lease and install all Operating Assets, approved

products and services; and purchase an opening inventory of products and supplies. (**Franchise Agreement - Sections 5.1, 5.2 and 5.3**).

4. As discussed in Item 8, identify the fixtures, furnishings, equipment (including point-of-sale registers, telecopiers and computer hardware and software) and restaurant materials and supplies and signs, emblems, lettering, logos and display materials necessary for the Family Sports Pub to begin operations, the minimum standards and specifications that must be satisfied and the suppliers from whom these items may be purchased or leased (including us and/or our affiliates). (**Franchise Agreement – Sections 5.3 and 5.5**).
5. Loan you (or make accessible to you, on-line or by other electronic format) one copy of the Confidential Operating Manual which is currently 140 pages. See **Exhibit D** for the Confidential Operating Manual Table of Contents. (**Franchise Agreement – Section 11.1**).
6. Assist you in implementing the opening marketing initiative for the Family Sports Pub in materials available in the local marketing guide. (**Franchise Agreement – Sections 5.6 and 5.7**).
7. Before the Family Sports Pub’s opening, we will provide approximately 7 weeks of initial training to your Two Designated Managers (plus a 3<sup>rd</sup> trainee at your option), and an optional 4 weeks of training for a kitchen manager (the “**Trainees**”). (**Franchise Agreement – Section 7**). The Two Designated Managers must successfully complete the initial training program to our satisfaction. We may require that any management personnel you subsequently employ also successfully complete the initial training program. We do not charge for this initial training and you must pay for all travel and living expenses for you and your employees. Initial training occurs at a corporate Family Sports Pub(s) designated by us. An outline of the initial training is provided below in this Section under the heading “**Training**.”

### **Time To Opening.**

We estimate that there will be an interval of 5 to 12 months between the signing of the Franchise Agreement and the opening of the Family Sports Pub, but the interval may vary based upon such factors as the location and condition of the Site, the construction schedule for the Family Sports Pub, the extent to which an existing location must be upgraded or remodeled, the delivery schedule for equipment and supplies, delays in securing financing arrangements and completing training and your compliance with local laws and regulations. You may not open the Family Sports Pub for business until: (1) we approve the Family Sports Pub as developed according to our specifications and standards; (2) pre-opening training of you and your personnel has been completed to our satisfaction, successful certification as an approved Operator by one of our corporate designated Certification Locations; (3) you have completed all pre-opening marketing requirements; (4) you have satisfactorily completed, trained and participated in at least one new store opening; (5) the Initial Franchise Fee and all other amounts then due to us have been paid no less than 30 days before opening; (6) we have approved the Designated Managers of your Family Sports Pub and you have demonstrated that the conditions of Section 1.5(e) of the Franchise Agreement have been met; (7) we have been furnished with copies of all required insurance policies, or any other evidence of insurance coverage and payment of premiums as we request; and (8) we have received signed counterparts of all required documents pertaining to your acquisition of the Site. You cannot open the Family Sports Pub until we are satisfied that you have completed all necessary steps to open, including completing all of the requirements set forth in Section IV of the First 150 Programs Marketing Manual. You must commence construction of the Family Sports Pub within 6 months after the date of the Franchise Agreement. (**Franchise Agreement – Section 5.8**). If you are an Area Developer, then we

estimate that there will be, in addition to, but which may run concurrently with, the time period to open your first Family Sports Pub, an interval of approximately 1 to 2 months to open the Area Development business. This time period may vary depending on the amount of time you will need to obtain staff, managers, licenses, permits, any equipment necessary to operate as an Area Developer. (**Development Agreement – Section 6**).

**Post-Opening Obligations.** During your operation of the Family Sports Pub, we will:

1. Advise you from time to time regarding the operation of the Family Sports Pub based on reports you submit or inspections we make. In addition, we will provide guidance to you on standards, specifications and operating procedures and methods utilized by Family Sports Pubs; purchasing required fixtures, furnishings, equipment, signs, products, materials and supplies; restaurant materials, menus, recipes and business methods; use of suppliers, approved products, volume buying, advertising and marketing programs; employee training; and administrative, bookkeeping and accounting procedures. This guidance may be furnished in our Confidential Operating Manual, bulletins or other written materials and/or during telephone consultations and/or consultations at our office or the Family Sports Pub. (**Franchise Agreement – Sections 7.1, 7.2, 7.3 and 7.4**).
2. Furnish you, at your request, with additional guidance, assistance and training. (**Franchise Agreement – Sections 7.4 and 7.5**) (See Item 6).
3. Loan you (or make accessible to you in electronic formats) one copy of the Confidential Operating Manual, consisting of the materials (which may include audiotapes, videotapes, magnetic media, computer software and written materials) that we generally furnish to franchisees for use in operating Family Sports Pubs. The Confidential Operating Manual contains mandatory and suggested specifications, standards, operating procedures and rules (“**System Standards**”) that we prescribe from time to time for operation of a Family Sports Pub and information relating to your other obligations under the Franchise Agreement and related agreements. The Confidential Operating Manual may be modified, updated and revised periodically to reflect changes in System Standards. (**Franchise Agreement – Section 11.1**).
4. Issue, modify and supplement System Standards for Family Sports Pubs. We may periodically modify System Standards, which may accommodate regional or local variations as we determine, and these modifications may obligate you to invest additional capital in the Family Sports Pub and/or incur higher operating costs. However, these modifications will not alter your fundamental status and rights under the Agreement. (**Franchise Agreement – Sections 5.6, 11.2, 11.3 and 11.4**).
5. Inspect and observe, photograph and videotape the operations of the Family Sports Pub, remove samples of any products, materials or supplies for testing and analysis, interview the Family Sports Pub’s customers and personnel, and inspect and copy any books, records and documents relating to the operation of the Family Sports Pub from time to time to assist you in complying with the Franchise Agreement and all System Standards. (**Franchise Agreement – Sections 13 and 14**).
6. Establish, maintain and administer a system-wide advertising fund (the “**Marketing and Development Fund**”). You are obligated to contribute to the Marketing and Development Fund the amounts that we prescribe (“**Marketing Contributions**”) (See Item 6). The

Marketing Fund Corporation was established to administer the Marketing and Development Fund.

7. At your request, we will make additional or refresher training in form and content as we deem appropriate available at your Family Sports Pub or at other locations we designate for an additional fee (the "**Additional Training Fee**"). The Additional Training Fee is \$900 per 5-day work week per corporate trainer. At your expense, you will provide all items necessary for such training at your Family Sports Pub. You must also pay us any costs incurred for this additional training and support, including a meal per diem and travel and hotel expenses. (**Franchise Agreement – Section 7.3**).

In certain geographic areas, we have appointed Area Representatives who perform certain support services to franchisees in their area. In those cases, we have delegated to them some of our obligations. (**See Exhibit G**).

### **Marketing and Development Fund.**

The Marketing Fund Corporation will direct all programs financed by the Marketing and Development Fund, with sole control over the creative concepts, materials and endorsements, and the geographic, market, media placement and allocation and any Internet or Intranet Websites, networks or communities it operates or participates in, or which requires your participation. The Marketing and Development Fund may be used to pay the costs of preparing or producing video, audio, Internet, Intranet, e-commerce, Website or written advertising materials; administering national or regional advertising programs, including, without limitation: purchasing direct mail or other media advertising; or employing or contracting with advertising, promotion or marketing agencies; supporting public relations; market research; other advertising, promotion or marketing activities; conducting product development; research; developing new purchasing and marketing programs, campaigns or networks (including via Internet, Intranet, Website(s) or other forms of e-commerce); all costs associated directly or indirectly with the operation, maintenance, hosting or development of Websites bearing our marks; or establishing Internet, Intranet, Website or other forms of e-commerce communities, networks, systems, methods, processes, databases or monitoring systems, which may include our establishing one or more Internet or Intranet Websites for purposes of: linking suppliers of products and services to our Website(s); our electronic monitoring your performance under your franchise agreement; our sharing or selling information to third parties; our establishing business to business or business to customer e-commerce; promoting the development and growth of franchises or soliciting franchisees; or your reporting of Royalties, Gross Sales and Adjusted Growth Sales or other information as we designate from time to time. The Marketing and Development Fund may be used for defraying the reasonable salaries (whether of individuals directly employed by us or under agreement with us), administrative hosting, development, maintenance costs and overhead incurred by us or our designees in connection with the Marketing and Development Fund. The Marketing and Development Fund may periodically furnish you with samples of advertising, marketing and promotional formats and materials at its cost. Multiple copies of these materials will be furnished to you at our direct cost of producing them, plus any related shipping, handling and storage charges. (**Franchise Agreement, Section 12.3**).

The Marketing and Development Fund will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for the reasonable salaries, administrative costs, travel expenses and overhead that we may incur in activities related to the administration of the Marketing and Development Fund and its programs, including, without limitation: developing, maintaining or hosting Intranet, Internet or other forms of e-commerce Websites, WebPages, e-mail addresses committees or networks; conducting market research; preparing advertising, promotion and marketing materials and collecting and accounting for contributions to the Marketing and Development Fund. We make every effort to ensure that all contributions are spent in the fiscal year in which they accrue. We



may spend, on behalf of the Marketing and Development Fund, in any fiscal year an amount greater or less than the aggregate contribution of all Family Sports Pubs to the Marketing and Development Fund in that year, and the Marketing and Development Fund may borrow from us or others to cover deficits or invest any surplus for future use. All interest earned on monies contributed to the Marketing and Development Fund will be used to pay advertising costs before other assets of the Marketing and Development Fund are expended. We will prepare an annual statement of monies collected and costs incurred by the Marketing and Development Fund and furnish the statement to you upon written request. We will not use any monies from the Marketing and Development Fund for the preparation of franchise sales solicitation materials except that these sales and solicitation materials may be part of or linked to our overall Internet, or Intranet website or e-commerce activities. **(Franchise Agreement, Section 12.4).**

The Marketing and Development Fund is intended to maximize recognition of the Marks and patronage of Family Sports Pubs. Although we will endeavor to utilize the Marketing and Development Fund to develop advertising and marketing materials and programs and to place advertising that will benefit all Family Sports Pubs, we undertake no obligation to ensure that expenditures by the Marketing and Development Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the Marketing and Development Fund by Family Sports Pubs operating in that geographic area or that any Family Sports Pub will benefit directly or in proportion to its contribution to the Marketing and Development Fund from the development of advertising and marketing materials or the placement of advertising. We are not required to spend any amount of money on advertising in a particular area or territory where a franchisee is located. We assume no other direct or indirect liability or obligation to you with respect to collecting amounts due to, or maintaining, directing or administering, the Marketing and Development Fund. **(Franchise Agreement, Section 12.5).**

Franchisee contributions to the Marketing and Development Fund will generally be on a uniform basis, but we reserve the right to defer or reduce contributions of a franchisee and, upon 30 days' written notice to you, to reduce or suspend contributions to and operations of the Marketing and Development Fund for one or more periods of any length and to terminate (and, if terminated, to reinstate) the Marketing and Development Fund. Family Sports Pubs owned and operated by us or our affiliates will contribute to the Marketing and Development Fund on the same basis as franchise owners. **(Franchise Agreement – Section 12.1).** If the Marketing and Development Fund is terminated, all unspent monies on the date of termination will be distributed to franchisees in proportion to their respective contributions to the Marketing and Development Fund during the preceding 12-month period. **(Franchise Agreement, Section 12.1).**

During the fiscal year ending December 31, 2011, the Marketing and Development Fund spent 2% of its income on production, 53% on media placement, 19% on marketing support materials, 4% on special events and 22% on other general and administrative expenses. None of the Marketing and Development Fund is used to solicit franchisees.

### **Local Advertising.**

During the first 5 months of business, you must spend \$5,000 on local marketing initiatives. **(Franchise Agreement, Section 5.9).** Thereafter, we recommend you spend at least 2.5% of your monthly Adjusted Gross Sales of your Family Sports Pub for local advertising as outlined in the marketing manuals. You must obtain telephone directory listings in the “**white and yellow pages**” in the size and manner we specify, displaying the Marks. If other franchise owners operate Family Sports Pubs in the market area serviced by the directories, then you must participate in and pay your proportionate share of the cost of the listings and advertising. **(Franchise Agreement, Section 12.2).** We may review your books and records relating to your expenditures for this advertising and promotion. If we determine that you have not spent the requisite amounts, we may require you to pay the unexpended amounts into the Marketing and Development Fund.

You must submit samples of all advertising, promotional and marketing materials that we have not prepared or previously approved for approval before you use them. If you do not receive written disapproval within 30 days after we receive the materials, we will be considered to have given the required approval. You may not use any advertising or promotional materials that we have disapproved. (**Franchise Agreement – Section 12.6**). (See Items 6, 8 and 9).

### **Advertising Councils or Cooperatives; the Internet.**

We currently have a franchise advisory council (“FAC”) of franchisees that advises us on advertising policies, menu and product development, purchasing, franchise sales, training, operations and other matters. Members of the FAC must submit an application for membership in the FAC, and are selected based on certain criteria, including having operated a Family Sports Pub for a minimum of 18 months and demonstrated compliance with all operational, food and safety standards and procedures. The FAC serves in an advisory capacity only.

You are encouraged, although not required, to take part in promotional programs which may be developed by us. However, you may be required to participate in cooperative advertising programs with certain suppliers of approved sources of goods. There currently are no franchisee advertising cooperatives. We do not have the power to require cooperatives to be formed, changed, dissolved or merged.

We have the sole right to market on the Internet and use the Marks on the Internet, including all use of websites, domain names, URLs, directory addresses, email addresses, metatags, linking, advertising, cobranding and other arrangements, and in all other forms of electronic media. You may not separately register any domain name or any portion of a domain name containing the Marks or participate or market on any website or other form of electronic media (including social technology, social media and social networking platforms) using the Marks unless you first obtain written approval from us. Your general conduct on the Internet or other forms of electronic media, including your use of the Marks or any advertising, is subject to the terms and conditions of the Franchise Agreement and any other rules, requirements or policies that we may identify from time to time.

### **Computer Systems.**

We currently require you to buy and use a point-of-sale and restaurant management computer system (the “**Computer System**”) which meets our System Standards. We may approve your purchase or lease and use of an alternative Computer System from one or more manufacturers or sources of supply which meet our System Standards. (**Franchise Agreement, Section 11.7**). We have certain approved POS Systems for system use and support by the training team. We must approve your purchase or lease of an alternative Computer System before you purchase or lease the equipment. We estimate that the cost for purchasing or leasing the Computer System will be between \$15,000 – \$30,000. (See Item 7). If you sell your Family Sports Pub, we have the right to require the purchaser to upgrade to the then-current approved POS systems before we approve the transfer.

You must purchase, install and maintain an RTIconnect™ Back Office System for each Family Sports Pub you operate. This system will cost up to \$150 per month in software licensing and requires initial set-up fees, costing approximately \$200 to \$495 per location. All Family Sports Pub locations are required to have a maintenance contract with your POS provider for software and a contract for their hardware. Your POS Systems must be able to fully integrate with RTIconnect™. The contact information for RTI Connect™ is Greg Waddell, Vice President, Sales and Marketing; Restaurant Technology, Inc., 1325 Williams Drive, Marietta, Georgia 30066, (800) 937-1290.

The following are system requirements for RTI Connect

<b>Connectivity and Hardware:</b>
DSL, Cable Modem, or Satellite Internet access
Minimum Requirements: Downstream 512K / Upstream 128K
Recommended: Downstream 768K or higher / Upstream 256K or higher
Intel® Processor 2GHz or faster
Memory: 2GB required, 4GB recommended
Microsoft® .NET Framework v2.0
Microsoft® Internet Explorer 6.0 or higher
Monitor Resolution: 1024 x 768 Pixels minimum
InkJet or Laser Printer
<b>Operating System: Any one of the following.</b>
Variations of Windows® operating systems not specifically listed are not supported.
• Windows® 7 – 32-bit Ultimate or Professional editions
• Windows® 7 – 64-bit* Ultimate or Professional editions
• Windows® Vista – 32-bit Business or Ultimate editions
• Windows® XP Professional SP3
<b>Security:</b>
Built-in Firewalls for Windows®
McAfee VirusScan® or other anti-virus software with automatically updated virus definitions
<b>Remote Access: Any one of the following remote access/support tools.</b>
• LogMeIn – <a href="http://www.logmein.com">www.logmein.com</a>
• Remote Desktop (included in Windows Vista and XP)
• TeamViewer – <a href="http://www.teamviewer.com">www.teamviewer.com</a>
• VNC – <a href="http://www.realvnc.com">www.realvnc.com</a>

You should select your operating system carefully to ensure compatibility with RTI connect. If you choose to use a firewall other than the built-in firewalls for Windows®, be sure your administrator and/or IT person is able to respond to any connectivity issues that are related to the use of firewalls for your computer.

We also require you to use software which meets our System Standards (the “Software”). (**Franchise Agreement, Sections 11.7 and 13.1**). We have authorized the following Computer System and Software: Focus POS Systems, Inc., provided by Gulf Data Systems, 6627 SR 54, New Port Richey, Florida 34653, telephone number (727) 372-8892 or (800) 397-1138, and Aloha POS

System, provided by Abacus Business Solutions, 15301 Roosevelt Boulevard, Suite 303, Clearwater, Florida 33760, Attention: Richard Peterson, President, telephone number (727) 524-0177.

We may authorize or require you to use different forms of hardware or software from the same supplier, and may require you to discontinue use of a Computer System or Software and to purchase another Computer System or Software which we designate. (**Franchise Agreement, Section 11.7**). Some of the software features are as follows:

- Suggested tip rates on guest check
- Delay print for TOGO orders
- One Step Credit Card Batching
- True file redundancy for Backup
- Automatic e-mailing of reports
- Graphic logo on guest check
- Make changes from front of house
- Employee messaging
- Integrated gift card software
- Floor plan for table entry
- Hold & Fire
- Automatic Credit Card Batching
- Fully Configurable Screen Icons
- Automatic digital paging of sales information
- Unlimited items in database
- Make changes w/o PC's shutting down
- Custom configurable reports
- Labor Scheduler

We have approved the Gulf Data Computer System since 2000, and the Aloha POS System since 2011. We have not approved any compatible equivalent components and the Computer Systems are not our proprietary property. You must use whatever Computer System we specify, including any modifications, during the term of the Franchise Agreement. Within 60 days after we notify you of any modifications or new specifications for the Computer System (the "**Modified System**"), you must upgrade or obtain this equipment or software as long as the Modified System is the one that we or our affiliates are using in our or their Family Sports Pubs. However, currently the only Computer System (including hardware components and Software) consists of the Computer System described in this Item. There is no limitation on the frequency or cost of this obligation. We may in the future charge you a systems fee for modifications of and enhancements made to any proprietary software that we license to you as well as other maintenance and support services that we or our affiliates furnish to you for the Computer System. (**Franchise Agreement, Section 11.7**). There is no limitation on the cost and frequency of any maintenance, repairs or updates to the Computer System. The annual costs of required maintenance, updates, upgrading or support contracts will vary. In 2010, annual costs of required maintenance, updates, upgrading were \$1,500.

You must purchase an annual Help Desk Support and Maintenance Agreement ("**Maintenance Agreement**") which provides software support services to your Computer System and Software. We may require you to purchase a different software service plan if you use a Computer System or software that differs from that described in this Item. The cost of the Maintenance Agreement currently ranges from \$1,000 to \$2,000 with additional charges for after hours support or additional training services.

We have access to the information and data compiled on the System. Generally, we may access the System to obtain gross and net sales information, product mix, labor reports and customer counts. There are no limitations on our right to do so. (**Franchise Agreement, Sections 11 and 13**).

### **Training.**

Before the Family Sports Pub's opening, Two Designated Managers must complete our initial 7-week training program ("**Beef's Boot Camp**") to our satisfaction and pass the training certification process.

The initial training is provided at our Certified Training Locations, which are currently located in Valrico, Riverview and Temple Terrace, Florida. We may change the Certified Training Locations from time to time. We, or our designee, will also provide additional training for a kitchen manager for a term of 4 weeks (the “**Kitchen Training**”). You or the Designated Managers must also attend a 1-day Pre-Opening Visit (“**POV**”), at which a corporate representative will visit your store before the opening date. (**Franchise Agreement, Section 7.1**). At this time, a construction inspection will be performed to determine the status of your building and equipment. An opening date will be set and new store opening procedures will be reviewed with you. After completion of Beef’s Boot Camp and the POV, we recommend that Designated Managers participate in at least one new store opening before opening your Family Sports Pub. New store openings typically last 4-5 days. You must also participate in all other activities required to operate the Family Sports Pub. Although there are no additional fees for this training, you must pay for all travel, living and compensation expenses which you and your employees incur in connection with training. (**Franchise Agreement, Section 7.1**). Each Designated Manager must also complete all pre-opening marketing initiatives.

We expect that the initial 7-week training will be conducted for you and your personnel after the Franchise Agreement has been signed and while the Family Sports Pub is being developed. Although we plan to be flexible in scheduling training classes to accommodate our personnel and you and your personnel, your Designated Managers must be present for the class in its entirety and according to the schedule we mandate. There are currently no fixed (i.e., monthly or bi-monthly) training schedules. We will provide owner/operator training guidelines, schedules and training materials. Your Designated Managers must complete Beef’s Boot Camp to our satisfaction, and we may require your Designated Managers to complete additional training to our satisfaction if your Designated Managers appear to need additional time. (**Franchise Agreement, Sections 7.1 and 7.4**). We may provide you with remedial training or assistance subject to the availability of our personnel. (**See Item 6 and Franchise Agreement, Section 7.5**).

**TRAINING PROGRAM (Note 1)**

Subject (Note 2)	Hours of Classroom Training	Hours of On-The Job Training	Location
Orientation	3	0	Certified Training Location (“CTL”) (Note 3)
Prep Station	0	20	CTL (Note 3)
Fry Station	0	16	CTL (Note 3)
Grill Station	0	24	CTL (Note 3)
Expediter Station	0	15	CTL (Note 3)
Kitchen– Administrative/Back of the House Manager	0	52	CTL (Note 3)
Front of the House Operation – Dining Room	0	33	CTL (Note 4)
Computer System (Note 5)	0	46	CTL (Note 3)
Front of the House – Administration/Front of the House Manager	0	44	CTL (Note 3)

Subject (Note 2)	Hours of Classroom Training	Hours of On-The Job Training	Location
Accounting	0	19	Home Office (Note 6)
Advertising & Promotion	0	13	Home Office (Note 6)
Sanitation and Safety (Note 7)	0	6	Home Office (Note 6)
Overview of Restaurant management	0	19	Home Office (Note 6)
New Store Opening and Preparation	5	0	Home Office (Note 6)
Responsible Alcohol Service and Sales	0	2	Home Office (Note 6)
Staffing, selection, retention and other employee issues (Note 8)	3	8	CTL and Home Office (Note 4, 6)
Supply Chain Management	0	8	Home Office (Note 6)
<b>TOTAL</b>	<b>11</b>	<b>331</b>	

Note 1: It is the nature of the restaurant business that all aspects of training are integrated, that is, there are no definitive starting and stopping times; although Beef's Boot Camp is accomplished consecutively over the 7-week training period.

Note 2: All training will be supervised by our Director of Training, Carol DeCanio. Ms. DeCanio has 2 years of experience with our operations and 13 years of experience relevant to the subjects taught.

Beef's Boot Camp will be conducted by members of our staff or franchisees whom we designate to provide Beef's Boot Camp. Accordingly, Beef's Boot Camp will be performed by a variety of personnel associated with or designated by us with different levels of experience. These include other Family Sports Pub franchisee's general managers, kitchen managers, administrative personnel and certified trainers/instructors. Your Area Representative, if any, will also assist you in Beef's Boot Camp. (**See Item 2 and Exhibit G**). All individuals who assist in the training process will have at least one year of experience in the subject taught and/or our operations.

Note 3: Our Certified Training Locations are currently located in Valrico, Temple Terrace and Riverview, Florida. We may open new training centers or close existing training centers at any time.

Note 4: This training will be conducted at one of our CTLs.

Note 5: You may also receive computer training from your POS Vendor.

Note 6: Our Home Office is located in Tampa, Florida.

Note 7: Some states and municipalities also may require separate training in sanitation and safety laws before permitting the Family Sports Pub to open. You should check your state and local laws.

Note 8: In addition to this training, before your location is opened, one of our representatives will travel to your location to assist you in hiring and training your staff and the opening of your Family Sports Pub.

Your Designated Managers and/or previously trained and experienced managers must also attend any periodic refresher training courses that we or our designees provide from time to time and pay the applicable fees. (See **Item 6**). You also will have to pay us for training new managers hired after the Family Sports Pub's opening. (**Franchise Agreement, Section 7.4**). You must train all of your other employees in accordance with our System Standards.

### **Area Development Program.**

During your development of the Exclusive Area, we will grant franchises to you for the operation of Family Sports Pubs, to be located within the Exclusive Area, in accordance with the standards and specifications which we establish from time to time. (**Development Agreement- Sections 3.1 and 5**).

During your development of the Exclusive Area, we will maintain your territorial exclusivity by not granting franchises to other persons to establish and operate Family Sports Pubs in the Exclusive Area, provided that you are in compliance with all agreements between you and us. (**Development Agreement, Section 3.1**) Advertising in the Exclusive Area will be governed by the terms of the Franchise Agreements between you and us for the Exclusive Area. We do not conduct a training program in connection with our Area Development Program which is separate from our training program for the Franchise Program.

### **Confidential Operating Manual.**

The table of contents of our Confidential Operating Manual is specified in **Exhibit D**.

## **Item 12. TERRITORY.**

**Your Family Sports Pub.** You will receive an exclusive geographic territory (the "**Protected Territory**") in which you will operate one Family Sports Pub. Your Protected Territory will consist of the area within a 3-mile radius from the Center of your Site Selection Area (defined below).

You must find a suitable Site within the Site Selection Period, which is the first 180 days after signing the Franchise Agreement, subject to our approval. You must, during the first 15 days of the Site Selection Period, obtain our approval of an intersection of streets or other landmark that will form the Center of the Site Selection Area, which consists of the area within a 3-mile radius of the Center. Upon our approval of the Center, we will complete and send to you **Exhibit A-1 to the Franchise Agreement** evidencing our approval of the Center. We will designate your Protected Territory once we approve the Center of the Site Selection Area and we will indicate it on **Exhibit A-1 to the Franchise Agreement**. You must submit a proposed Site located in the Site Selection Area to us for approval during the first 60 days of the Site Selection Period. We will notify you of our approval or disapproval of any proposed Site within 30 days of our receipt of all information we request. However, if you have submitted a proposed Site to us before the expiration of the Site Selection Period, and we have not notified you of our approval or disapproval before expiration of the Site Selection period, we will have 30 additional days to notify you of our decision. If we do not approve a Site during that 30 day period following the Site Selection Period, we are not obligated to permit you to submit an alternative proposed Site to us.

Once a site has been selected and approved and lease negotiations entered into, you must provide a copy of the lease to us for our review. Our approval of the lease indicates only that we believe that its terms

fall within the acceptable criteria we have established as of the time of our approval. Upon our acceptance of the lease, we will complete and send to you **Exhibit A-2 to the Franchise Agreement** evidencing our acceptance of the lease.

We will not sell another franchise or open a company-owned Family Sports Pub in your Protected Territory during the term of the Franchise Agreement. We will also not sell another franchise or open a company-owned Family Sports Pub in your Site Selection Area during the term of the Site Selection Period. We may develop, use, and license within or outside your Protected Territory other products or services involving Marks other than those used in connection with the System. You may solicit and accept business from outside of your territory and you may advertise your Family Sports Pub outside of your territory. You do not receive the right to acquire additional franchises within your territory. You may not relocate your Family Sports Pub without our advance written approval.

**Rights We Reserve: Franchise Agreement.** We (and our affiliates) retain the right to:

1. establish, and grant to other franchisees the right to establish, Family Sports Pubs anywhere outside the Protected Territory, on the terms and conditions that we consider appropriate (even immediately outside the border of the Protected Territory), but not within the Protected Territory of your Family Sports Pub you open under this Agreement and continue to operate under it;
2. operate, and grant franchises to others to operate businesses, whether inside or outside the Protected Territory, specializing in the sale of products or provision of services, other than a Competitive Business or a Family Sports Pub, using certain of the Marks and the Marks pursuant to the terms and conditions that we consider appropriate;
3. operate, and grant franchises to others to operate businesses or provide other services, whether inside or outside the Protected Territory, that do not use any of the Marks;
4. market and sell, inside and outside of the Protected Territory, through channels of distribution other than full service Family Sports Pubs (like mail order, Internet or Intranet, Website or other forms of e-commerce or grocery, retail or convenience stores or kiosk), or through special purpose sites including sites at which access to the general public is limited (like theme parks, military bases, on-campus food outlets, etc.) goods and services competitive with goods and services offered by Family Sports Pubs, under the Marks or under trade names, service marks or trademarks other than Marks, except that we may compensate you for doing so in the amounts and in the manner that we determine from time to time (you must obtain our prior written consent before you advertise or market your Family Sports Pub through the use of the Internet, other forms of electronic media (including social technology, social media and social networking platforms), catalog sales, telemarketing or other direct marketing, or we will have the right to terminate your Franchise Agreement; and
5. purchase, merge, acquire, be acquired by or affiliate with an existing competitive or non-competitive franchise or non-franchise network, chain or any other business regardless of the location of that other business' facilities, and that following any of these activities we may operate, franchise or license those other businesses and/or facilities under any names or marks other than, while this Agreement is in effect, the Marks, regardless of the location of these businesses and/or facilities, which may be within the Protected Territory or immediately outside its border.



We do not have to pay you any compensation if we exercise any of these rights.

There is no minimum sales quota for maintaining your territory or other circumstance that grants us the right to modify your territory.

We and our affiliates have not established and do not currently intend to establish any other franchises, company-owned outlets or other distribution channels offering similar products or services under a different trademark anywhere in the United States, but we may do so in the future.

**Area Development Agreement.** We may, but are not required to, sign an Area Development Agreement with you which provides for the development of a specified minimum number of Family Sports Pubs within a defined exclusive geographic area (the “**Exclusive Area**”) over a specified term. A Development Fee for the Exclusive Area is required, as well as Franchise Fees for each Family Sports Pub developed. You must sign the then-current Franchise Agreement for each Family Sports Pub established under the Area Development Agreement. You are not entitled to additional development rights beyond those specified in the Area Development Agreement. You must submit a complete site report for each Family Sports Pub. Each site is subject to our approval which will not be unreasonably withheld. We also have the right to refuse to grant a franchise for a proposed Family Sports Pub if you do not meet financial criteria established by us.

**Area Development Agreement: Minimum Development Quota.** Your Area Development Agreement will contain a Minimum Development Quota specifying a series of Development Periods, the number of Family Sports Pubs you must open during each Development Period and the cumulative number of Family Sports Pubs you must have opened through the end of the Development Period in question. Family Sports Pubs will not count towards meeting the Minimum Development Quota for any Development Period until they have been fully constructed, developed and have opened operations in accordance with their respective franchise agreements with us. We determine if any Family Sports Pub has "opened" for purposes of meeting the Development Schedule and any Minimum Development Quota for any Development Period. If a Family Sports Pub is permanently closed after having been opened, you must develop and open a substitute Family Sports Pub within one year from the date of its permanent closing separate and apart from the Development Schedule.

**Rights We Reserve: Area Development Agreement.** We (and our affiliates) retain the right in our sole judgment to:

1. establish, and grant to other franchisees the right to establish, Family Sports Pubs anywhere outside the Exclusive Area, on the terms and conditions that we consider appropriate (even immediately outside the border of the Exclusive Area, but not within the Protected Territory specified in the Franchise Agreement of any Family Sports Pub you operate under the Area Development Agreement and continue to operate);
2. operate and grant franchises to others to operate businesses, whether inside or outside the Exclusive Area, specializing in the sale of products or provision of services, other than a Competitive Business or a Family Sports Pub, using certain of the Marks and pursuant to the terms and conditions that we consider appropriate;
3. operate and grant franchises to others to operate businesses, or provide other services, whether inside or outside the Exclusive Area, that do not use any of the Marks;
4. market and sell, inside and outside of the Exclusive Area, through channels of distribution other than full service Family Sports Pubs (like Internet, e-commerce, mail order or grocery,

retail or convenience stores) or through special purpose sites (like golf courses, school campuses, colleges, universities, on-campus food outlets, train stations, casinos, airports, stadiums, theme parks, military bases, etc.), goods and services competitive with goods and services offered by Family Sports Pubs, under the Marks or under trade names, service marks or trademarks other than the Marks, without any compensation to you.

5. purchase, merge, acquire, be acquired by or affiliate with an existing competitive or non-competitive franchise or non-franchise network, chain or any other business regardless of the location of that other business' facilities, and that following this activity we may operate, franchise or license those other businesses and/or facilities under any names or marks other than, while the Area Development Agreement is in effect, the Marks, regardless of the location of these businesses and/or facilities, which may be within the Exclusive Area or immediately outside its border.

We do not have to pay you any compensation if we exercise any of these rights.

**Exclusive Area: Default Under the Area Development Agreement.** We have the right to terminate an Area Development Agreement if you default under its terms or under the terms of any Franchise Agreement or other agreement you have with us. If you do not achieve the Minimum Development Quota specified in the Area Development Agreement, we, in our sole judgment, may:

1. terminate the Area Development Agreement;
2. have the right to operate (directly or through affiliates) or grant franchises for the operation of Family Sports Pubs within the Exclusive Area;
3. grant you an extension under the Development Schedule for whatever time period that we specify for a non-refundable extension fee equal to the balance of the Franchise Fees for the number of Family Sports Pubs that are to be constructed under the Development Schedule but are not yet under construction that are behind the Development Schedule; or
4. reduce the Exclusive Area and the Development Schedule to a size and magnitude that we estimate you are capable of operating otherwise in accordance with the Area Development Agreement.

**Item 13. TRADEMARKS.**

**Marks.** We grant to you the right to operate a Family Sports Pub under the name BEEF 'O'BRADY'S® and may also grant to you the right to use certain other current and future trademarks to operate your Family Sports Pub as we may specify. By trademark or mark, we mean trademarks, service marks, trade names, and logos you will use to identify your Family Sports Pub.

The following principal trademarks are registered on the Principal Register of the United States Patent and Trademark Office (the "USPTO"):

Principal Trademarks	Registration Date	Registration No./Serial Number
BEEF 'O' BRADY'S®	06/06/95	1,897,862
BEEF'S®	02/29/00	2,323,415

<b>Principal Trademarks</b>	<b>Registration Date</b>	<b>Registration No./Serial Number</b>
O'BRADY'S®	02/15/00	2,318,368
A LEAGUE OF ITS OWN	5/18/04	2,843,277
BEEF 'O' BRADY'S® (Mustache)	10/23/07	3,316,038
BEEF'O'BRADY'S w/Shamrock Design	07/20/10	3,821,059
GOOD FOOD, GOOD SPORTS (word mark)	4/19/11	3,949,459
KICKIN' BAYOU BBQ	07/13/10	3,817,633
EVERY NEIGHBORHOOD SHOULD HAVE ONE (word mark)	07/13/10	3,817,630
NUCLEAR WING CHALLENGE (word mark)	pending	77/880,584
SEE YOU AT BEEF'S (word mark)	07/13/10	3,817,634
ST. PRACTICE DAY (word mark)	07/20/10	3,821,061
IRISH FOR A DAY, BEEF'S FOR LIFE	07/13/10	3,817,632
SHAM-ROCKIN'	pending	77/880,600
BEEF'S TO GO! (word mark & design)	8/23/11	4,014,357
PICKUP A PARTY	pending	85/253,652

All required affidavits have been filed and FSCI renewed the registration of the BEEF 'O'BRADY'S® mark. Our predecessor FSCI transferred all of its rights and interest in the Marks to us in July 2007.

We have federal trademark registration applications pending for the certain marks as indicated in the table above. Therefore these marks with pending applications do not have as many legal benefits and rights as a federally registered trademark. If our right to use the mark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or court. There are also no pending infringement, opposition, or cancellation proceedings, or other pending material federal or state court litigation regarding our use or ownership rights in the trademarks.

We do not know of any superior prior rights or infringing uses that could materially affect your use of the principal trademarks in any state where a Family Sports Pub will be located. There are currently no effective agreements that significantly limit our right to use or license the use of the trademarks listed in this section in a manner material to the franchise.

You may only use the marks in the manner we specify in the Franchise Agreement or Confidential Operating Manual. You may not use our name or marks as part of a corporate name or legal business name.

You also may not use our name or marks in conjunction with any modifying words, designs or symbols unless we authorize you in writing to do so. You may not use our registered name in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us. In the Franchise Agreement, you will agree to not contest directly or indirectly our right to our trademarks, trade secrets or business techniques. If we decide to modify or discontinue use of any mark and/or use one or more additional or substitute marks, you must comply with our directions within a reasonable time after receiving notice.

You must notify us immediately if you learn about an infringement of, or challenge to, your use of any of our mark(s). We will have the sole right decide whether to take action and, if we do, we have the right to control exclusively any litigation or administrative proceeding relating to any of our marks. While we are not required to defend you against a claim arising from your use of our mark(s), we will reimburse you for your reasonable costs in connection with defending our mark(s). To receive reimbursement, you must notify us immediately when you learn about the infringement or challenge.

#### **Item 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION.**

**Patents.** We have no patents or pending patent applications that are material to the operation of the franchised Family Sports Pub.

**Copyrights.** We may, from time to time, allow you to use materials in which we have a copyright interest. While we have not registered our copyrights with the United States Copyright Office, we claim copyrights in certain forms, manuals, advertisements, promotional materials, menus, and other written materials. There are no currently effective determinations of the USPTO, the U.S. Copyright Office (Library of Congress) or any court pertaining to or affecting any of our copyrights. Your and our rights and obligations to protect our copyrights are the same as the obligations set forth for trademarks in Item 13 above.

**Confidential Operating Manual.** During the term of the Franchise Agreement, we will loan to you at no charge a Confidential Operating Manual in which we assert a copyright interest. The Confidential Operating Manual is our proprietary property and you must return it upon termination of the Franchise Agreement or at any time at our request.

You must use your best efforts to keep confidential the information in the Confidential Operating Manual, its supplements, and any other materials or information designated by us as confidential. You will not provide your employees access to the Confidential Operating Manual unless necessary to operate your Family Sports Pub.

You must comply with all provisions in the Confidential Operating Manual, including any supplements or amendments that we provide. You are responsible for keeping your copy of the Confidential Operating Manual up-to-date. The provisions in our master copy will control any disputes that arise. You agree to comply with revisions to the Confidential Operating Manual that we may make from time to time, provided the revisions do not implement new or different requirements which alter the fundamental terms and conditions of the Franchise Agreement.

We will loan you a replacement copy if you lose or misplace your copy or supplements but we may require a reasonable replacement charge. You must not photocopy any part of the Confidential Operating Manual without our written consent.

**Trade Secrets and Know-How.** We will be disclosing to you certain proprietary information in our programs, systems, techniques, manuals, and trade secrets as well as know-how and operating format related to our methods and materials. You will also use certain materials in the operation of your Family Sports Pub

in which we have a copyright interest. You, however, do not acquire any right or interest in our proprietary information.

You must not disclose any of our proprietary rights, information, or know-how, except as authorized in the Franchise Agreement. You must maintain adequate security in the control, use, and handling of our proprietary materials as specified in the Confidential Operating Manual or in writing from us. All persons you employ who can access our proprietary materials are required to sign our approved confidentiality agreement. (**Exhibit G to the Franchise Agreement**). All persons with an ownership or voting interest in a non-individual franchisee and all individual franchisees who enter into Franchise Agreements or Area Development Agreements and any person employed by or under an independent contractor relationship with you whom receives or will receive any training by us or you which is directly or indirectly related to the System or involves any of the Confidential Information must sign our approved confidentiality, nonsolicitation and noncompetition agreement. (**Exhibit G to the Franchise Agreement, Exhibit B to the Area Development Agreement**). You must immediately notify us of any unauthorized use of our trade secrets. We have complete authority under the Franchise Agreement and Area Development Agreement to take whatever action or inaction that we consider appropriate.

**Co-Branding.** You may not engage in any co-branding in or in connection with your Family Sports Pub, except with our prior written consent. We are not required to approve any co-branding chain or arrangement except in our discretion, and only if we have recognized that co-branding chain as an approved co-brand for operation within the Family Sports Pub. “**Co-branding**” includes the operation of an independent business, product line or operating system owned or licensed by another entity (not us) that is featured or incorporated within the Family Sports Pub or is adjacent to the Family Sports Pub and operated in a manner which is likely to cause the public to perceive it to be related to the Family Sports Pub licensed and franchised under the Franchise Agreement.

#### **Item 15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS.**

Your Operating Partner or Designated Managers must devote full time, energy, and best efforts to the management and operation of your Family Sports Pub, and have primary responsibility for the operations under the Franchise Agreement. If you (or your principal owner if you are a Business Entity) are not actively supervising and managing your Family Sports Pub, your Operating Partner or Designated Managers must meet the following qualifications and conditions: (i) have experience satisfactory to us; (ii) have day-to-day management responsibility over the Family Sports Pub; (iii) are employed on a full-time basis to manage the Family Sports Pub; (iv) enter into our then-current form of confidentiality and non-competition agreement; and (v) satisfactorily complete our new franchisee application process which includes: participation at a Discovery Day Process, working a power shift in a designated training restaurant, completion of our 7-week Beef’s Boot Camp training program, successful certification as an Operator by a corporate approved Certification Location, completion of all pre-opening marketing obligations; and any other training and development programs we deem necessary. You and your owners, immediate family members, agents, employees and any other personnel having access to any confidential information from us must sign confidentiality agreements to safeguard our proprietary information, such as our trade secrets (See Item 14) (See **Exhibit G to the Franchise Agreement**). You must also agree not to compete against us while operating your Family Sports Pub and for 2 years after nonrenewable/termination (See Item 17) within a 15-mile radius of the Site and/or any other Family Sports Pub in operation or under construction.

Non-individual franchisees (such as corporations, partnerships, limited liability companies, associations, or trusts) must complete the “**Principal Owner’s Statement**” (See **Exhibit F to the Franchise Agreement**) and are subject to certain requirements including restricting their business activities exclusively to the operation of their respective Family Sports Pubs, restricting transfer of ownership interests in you and

disclosing corporate documents and lists of owners and beneficial owners. All persons with an ownership or voting interest in a non-individual franchisee must agree to restrictions on the transfer of their interests, and to be individually responsible for your obligations under the Franchise Agreement and sign a personal guaranty concerning these obligations in the form of our “**Principal Owner’s Guaranty**”. (See **Exhibit E to the Franchise Agreement**). Non-individual franchisees who enter into Area Development Agreements are subject to these requirements as well. All persons with an ownership or voting interest in a non-individual franchisee and all individual franchisees who enter into Franchise Agreements or Area Development Agreements must sign a confidentiality/non competition agreement in the form of our “**Confidentiality, Nonsolicitation and Noncompetition Agreement**” (See **Exhibit H to the Franchise Agreement, Exhibit B to the Area Development Agreement** ).

#### **Item 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL.**

You must use only those products, recipes, services, equipment, programs and other items in the operation of your Family Sports Pub that we have designated in the Franchise Agreement, the Confidential Operating Manual, or specifically approved in writing unless, as to any one or more items, you are prohibited by local law or regulation or unless we have granted you our advance written approval to exclude some menu items, products, services or programs. If you would like to sell any product, menu items, service, equipment or program which is not a part of the System, then you must seek and obtain our advance written permission. If we grant our advance written approval, then the product, menu item, service, equipment or program in question will become a part of the System (though we will not be required to, but may, authorize it for sale at one or more other Family Sports Pubs). We may subsequently revoke our approval. We will own all rights associated with the product, service, equipment or program. You will not be entitled to any compensation in connection with it.

We may add to, delete from or modify the services, products, equipment, programs and other items which you can and must offer or we may modify the System. You must abide by any additions, deletions and modifications. There are no limits on our rights to make these changes. We may designate, prohibit or otherwise limit your use of music or other entertainment within the Family Sports Pub. These requirements are set forth in greater detail in Item 8 of this Disclosure Document.

If at any time any Approved Products or any other components of the System are unavailable at your Family Sports Pub for any reason, and you can affirmatively prove this unavailability, we will identify alternative products or other components of the System for you that you may offer at your Family Sports Pub, only until such time as the Approved Product or other component of System becomes available. When the Approved Product or other component of the System becomes available, you will be required to offer it at your Family Sports Pub.

You may only sell System products and services at retail, and you may not engage in the wholesale sale and/or distribution of any System product, service, equipment or other component, or any related product or service. See Item 12.

All vending, gaming machines, pay telephones, automatic teller machines, Internet kiosks or any other mechanical or electrical device to be installed or maintained at your Family Sports Pub, must receive our prior written approval.

**Item 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION.**

**This table lists certain important provisions of the Franchise, Area Development Agreements and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.**

**THE FRANCHISE RELATIONSHIP**

<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Section in Area Development Agreement</b>	<b>Summary</b>
a. Length of the franchise term	Section 2.1	Sections 2.1 and 3.3	10 years for Franchise Agreement; 30 days from site visit; the Development Agreement varies depending on the number of Family Sports Pubs to be opened (about 1 year/Family Sports Pub)
b. Renewal or extension of the term	Section 3.1	Section 2.2 – 2.4	If you are in good standing and not in default under the Franchise Agreement, you may enter into a successor franchise agreement, provided that: (i) you maintain possession of and agree to remodel and/or expand the Family Sports Pub, add or replace improvements, equipment and signs and otherwise modify the Family Sports Pub as we require to bring it into compliance with specifications and standards then applicable for Family Sports Pubs, or (ii) if you are unable to maintain possession of the Site, or if in our judgment the Family Sports Pub should be relocated, you secure substitute premises we approve, develop these premises in compliance with specifications and standards then applicable for Family Sports Pubs and continue to operate the Family Sports Pub at the Site until operations are transferred to the substitute premises. If you are in good standing, meet all of your requirements, and it is determined that more Family Sports Pubs should be developed, you may acquire a

Provision	Section in Franchise Agreement	Section in Area Development Agreement	Summary
			successor Development Agreement under our then current terms.
c. Requirements for you to renew or extend	Sections 3.1 – 3.6	Section 2.2	Maintain Site or secure substitute Site, bring Family Sports Pub into compliance with our then current specifications and standards, sign new Franchise Agreement and ancillary agreements, general releases, satisfactory completion of training and refresher programs, and pay us the fee. On renewal, you may be asked to sign a successor contract with materially different terms and conditions than your original Franchise Agreement. You are not in default under any agreement with us, you sign a new Development Agreement, which may have materially different terms and conditions than your original Development Agreement, you sign a general release and pay us the Development Fee.
d. Termination by you	Sections 16.1, 16.3	Not Applicable	If we breach the agreement and do not cure the breach after 60-days notice from you, you may terminate 60 days after you provide us with written notice of termination.  Your failure to pay any Royalties, Advertising Fund Contributions or other money after you receive notice of the default granting an opportunity to cure, will mean that you are willfully and wrongful breaching the Franchise Agreement and that you have decided to reject and terminate the Franchise Agreement and all Agreements between you and us (or our affiliates) related to the Franchise Agreement.
e. Termination by us without cause	Not Applicable	Not Applicable	None
f. Termination by us with cause	Section 16.2-16.4	Section 9	We can terminate if you commit one of several violations (subject to State Law, see <b>Exhibit N</b> ).



Provision	Section in Franchise Agreement	Section in Area Development Agreement	Summary
g. "Cause" defined – defaults which can be cured	Section 16.2	Section 9	You have 5 days to cure health, safety or sanitation law violations, except we may require the immediate shut down of your Family Sports Pub in the event we deem the violation to be a health threat to anyone, 10 days to cure monetary defaults to us or approved suppliers, 10 days to cure noncompliance with any provision other than Section 16.2 of the Franchise Agreement, 10 days to cure noncompliance with System Standards. For the Development Agreement, you have 10 days to cure monetary defaults; 30 days to have vacated an attachment, seizure, writ, warrant or levy of any Family Sports Pub or any order appoint a receiver, trustee or liquidator of you or any Family Sports Pub; and 14 days to cure noncompliance with provision of the Development Agreement other than Section 9.
h. "Cause" defined – non curable defaults	Section 16.2	Section 9	Non-curable defaults include material misrepresentation or omission, failure to complete training, failure to comply with management requirements, failure to obtain an approval of the Center or Site within the time periods specified for such approvals, failure to commence construction of the Family Sports Pubs within 6 months, abandonment, unapproved transfers, conviction of or a plea of no contest to, a felony or other serious crime, violations of anti-terrorism laws or "blocking" of assets under anti-terrorism laws, dishonest or unethical conduct, unauthorized assignment of the Franchise Agreement or of an ownership interest in you or the Family Sports Pubs, loss of the Site, unauthorized use or disclosure of the Confidential Operating Manual or confidential information, failure to pay taxes, repeated defaults (even if

Provision	Section in Franchise Agreement	Section in Area Development Agreement	Summary
			cured), an assignment for the benefit of creditors or written admission of insolvency or inability to pay debts as they become due. Failure to meet the development obligations or pay any fees owed;
i. Your obligations on termination / nonrenewal	Section 17	Section 10	Obligations include payment of outstanding amounts, including an amount equal to the greater of \$60,000 or the aggregated Royalties and Marketing Contributions paid by your Family Sports Pub for the 12 months prior to the effective date of termination multiplied by 2, to account for actual damages that we will suffer while we search for a replacement franchisee, complete de-identification and return of confidential information (also see (r) below). Ceasing your development activities.
j. Assignment of contract by us	Section 15.1	Section 11.1	No restriction on our right to assign.
k. "Transfer" by you-definition	Section 15.2	Section 11.2	Your, your owners or your affiliate(s)' voluntary or involuntary, direct or indirect assignment, sale, gift or other disposition of any interest in the Development Agreement, any Franchise Agreement, you, or the Family Sports Pub(s).
l. Our approval of transfer by you	Sections 15.2 – 15.5	Section 11.2 and 11.3	We have the right to approve all transfers, even to a Business Entity controlled by you.
m. Conditions for our approval of transfer	Section 15.3	Section 11.4	New franchisee qualifies, you pay us all amounts due, transferee and its managerial employees agree to complete training, transferee agrees to enter a new Franchise Agreement, transfer fee paid, we approve material terms, you subordinate amounts due to you, and you sign other documents we require – including general releases (also see r below).

<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Section in Area Development Agreement</b>	<b>Summary</b>
n. Our right of first refusal to acquire your business	Section 15.8	Section 11.5	We can match any offer for an ownership interest in you, your Franchise Agreement or your Family Sports Pub provided that we may substitute cash for any form of payment at a discounted amount if an interest rate will be charged on any deferred payments, our credit will be deemed equal to that of any proposed purchaser, we will have no less than 60 days to prepare for closing and we receive all customary representations and warranties, as we specify.
o. Our option to purchase your business	Section 17.5	Not Applicable	We have the option to buy the Family Sports Pub, including leasehold rights to the Site, at fair market value after our termination, or your termination without cause, of the agreement (but not expiration).
p. Your death or disability	Sections 15.5 and 15.6	Section 11.6	Franchise or an ownership interest in you must be assigned to an approved buyer within 6 months and must be run by a trained manager during the period before the assignment. Assignment is subject to our right of first refusal.
q. Non-competition covenants during the term of the franchise	Section 10	Section 7.3	No interest in a Competitive Business, no controlling ownership interest in, or performance of services for, a Competitive Business anywhere, no recruiting or hiring of any person who is our employee or an employee of any Family Sports Pub.
r. Non-competition covenants after the franchise is terminated or expires	Section 17.4	Section 10.2	No interest in competing business for 2 years at, or within 15 miles of, the Site or within 15 miles of any other Family Sports Pub in operation or under construction (same restrictions apply after assignment).
s. Modification of the agreement	Section 19 .13	Section 13.13	Franchise Agreement – No modifications except by written agreement, but Confidential Operating Manual and System Standards are subject to change.

Provision	Section in Franchise Agreement	Section in Area Development Agreement	Summary
t. Integration/merger clause	Section 19.13	Section 13.13	Only the terms of the Disclosure Document, the Franchise Agreement and the Area Development Agreement, (including the Confidential Operating Manual, System Standards, any addenda and exhibits) are binding (subject to state law). Any other representations or promises outside the Disclosure Document, the Franchise and Area Development Agreements may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 19.18	Section 13.18	Except for certain claims, all disputes must be mediated at our headquarters (subject to State Law, <b>Exhibit N</b> ).
v. Choice of forum	Section 19.8	Section 13.8	Litigation in Hillsborough County, Florida (subject to State Law, see <b>Exhibit N</b> ).
w. Choice of law	Section 19.7	Section 13.7	Florida law applies (subject to State Law, see <b>Exhibit N</b> ).

**Item 18. PUBLIC FIGURES.**

We do not use any public figures to promote the System or any Beef ‘O’ Brady’s® Family Sports Pub.

**Item 19. FINANCIAL PERFORMANCE REPRESENTATIONS.**

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

This Financial Performance Representation contains certain historical gross sales information for franchised Beef 'O' Brady's Family Sports Pubs open and operating for at least 18 months before December 31 of each year for which data are shown on the charts. (“**Mature Beef ‘O’ Brady’s Restaurants**”). That is, the data for 2011 includes franchised Beef ‘O’ Brady’s Family Sports Pubs open on or before July 1, 2010; the data for 2010 includes franchised Beef 'O' Brady's Family Sports Pubs open on or before July 1, 2009; and the data for 2009 includes franchised Beef 'O' Brady's Family Sports Pubs open on or before July 1, 2008. The financial information is presented as an average for all of our Mature Beef ‘O’ Brady’s Restaurants and it is also divided into in 5 geographic subsets consisting of Northeast, Mid Atlantic, Mid South and Midwest Regions and the State of Florida.

**All Franchised Mature Beef ‘O’ Brady’s Restaurants.**

	<b>2011</b>	<b>2010</b>	<b>2009</b>
<b>Average Adjusted Gross Sales (“AAGS”) (Note 1)</b>	\$923,512	\$869,071	\$855,101
<b>Total # of Mature Beef ‘O’ Brady’s Restaurants (Notes 2)</b>	195	206	171
<b>Number of Mature Beef ‘O’ Brady’s Restaurants that met or exceeded AAGS</b>	86	97	82
<b>Percentage of Mature Beef ‘O’ Brady’s Restaurants that met or exceeded AAGS</b>	44%	47%	48%

**All Mature Beef ‘O’ Brady’s Restaurants – State of Florida**

	<b>2011</b>	<b>2010</b>	<b>2009</b>
<b>Average Adjusted Gross Sales (AAGS) (Note 1)</b>	\$979,549	\$924,896	\$893,089
<b>Total # of Mature Beef ‘O’ Brady’s Restaurants (Notes 2)</b>	121	124	113
<b>Number of Mature Beef ‘O’ Brady’s Restaurants that met or exceeded AAGS</b>	55	71	55
<b>Percentage of Mature Beef ‘O’ Brady’s Restaurants that met or exceeded AAGS</b>	45%	57.3%	48.7%

**All Mature Beef ‘O’ Brady’s Restaurants – Mid Atlantic Region  
(Consisting of Georgia, Maryland, North Carolina, South Carolina and Virginia)**

	<b>2011</b>	<b>2010</b>	<b>2009</b>
<b>Average Adjusted Gross Sales (AAGS) (Note 1)</b>	\$813,849	\$743,809	\$753,015
<b>Total # of Mature Beef ‘O’ Brady’s Restaurants (Notes 3)</b>	22	31	25
<b>Number of Mature Beef ‘O’ Brady’s Restaurants that met or exceeded AAGS</b>	10	6	10
<b>Percentage of Mature Beef ‘O’ Brady’s Restaurants that met or exceeded AAGS</b>	45%	19.4%	40%

**All Mature Beef ‘O’ Brady’s Restaurants – Mid South Region  
(Consisting of Alabama, Arkansas, Louisiana, Mississippi and Texas)**

	<b>2011</b>	<b>2010</b>	<b>2009</b>
<b>Average Adjusted Gross Sales (AAGS) (Note 1)</b>	\$781,558	\$805,698	\$912,468
<b>Total # of Mature Beef ‘O’ Brady’s Restaurants (Notes 3)</b>	17	15	8
<b>Number of Mature Beef ‘O’ Brady’s Restaurants that met or exceeded AAGS</b>	8	7	4
<b>Percentage of Mature Beef ‘O’ Brady’s Restaurants that met or exceeded AAGS</b>	47%	46.7%	50%

**All Mature Beef ‘O’ Brady’s Restaurants – Midwest Region  
(Consisting of Colorado, Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri, Ohio, Tennessee and Wisconsin)**

	2011	2010	2009
<b>Average Adjusted Gross Sales (AAGS) (Note 1)</b>	\$860,873	\$803,511	\$767,123
<b>Total # of Mature Beef ‘O’ Brady’s Restaurants (Notes 3)</b>	34	35	25
<b>Number of Mature Beef ‘O’ Brady’s Restaurants that met or exceeded AAGS</b>	16	12	12
<b>Percentage of Mature Beef ‘O’ Brady’s Restaurants that met or exceeded AAGS</b>	47%	34.3%	48%

**All Mature Beef ‘O’ Brady’s Restaurants – Northeast Region  
(Consisting of Maine)\***

	2011	2010	2009
<b>Average Adjusted Gross Sales (AAGS) (Note 1)</b>	\$1,098,518	\$1,075,187	n/a
<b>Total # of Mature Beef ‘O’ Brady’s Restaurants (Notes 3)</b>	1	1	n/a
<b>Number of Mature Beef ‘O’ Brady’s Restaurants that met or exceeded AAGS</b>	1	1	n/a
<b>Percentage of Mature Beef ‘O’ Brady’s Restaurants that met or exceeded AAGS</b>	100%	100%	n/a

\* The Maine Sports Pub opened in 2009, so the data collected only represents the 18-month period before December 31, 2011 and December 31, 2010.

**THIS FINANCIAL PERFORMANCE REPRESENTATION DOES NOT REFLECT ANY EXPENSES OF THE FAMILY SPORTS PUBS. SOME OF THE EXPENSES THAT ARE NOT REFLECTED IN THE STATEMENT, BUT THAT A FRANCHISEE WILL INCUR AND SHOULD TAKE INTO CONSIDERATION ARE THE FOLLOWING:**

- 1 FRANCHISE PAYMENTS, INCLUDING ROYALTIES AND AD FEES
- 2 SALARIES, PAYROLL TAXES AND OTHER EMPLOYEE BENEFITS
- 3 LICENSES
- 4 RENT AND UTILITIES
- 5 INSURANCE
- 6 COST OF EQUIPMENT
- 7 FOOD AND OTHER PRODUCT COSTS
- 8 FINANCING COSTS (IN ADDITION TO OCCUPANCY EXPENSE)
- 9 ACCOUNTING AND LEGAL EXPENSES
- 10 DEBT REPAYMENT

SUCH EXPENSES WILL AFFECT THE NET INCOME AND CASH FLOW OF A FAMILY SPORTS PUB. A FRANCHISEE SHOULD CONSIDER THEM AND EVALUATE THEIR IMPACT. THE ACTUAL PERFORMANCE OF YOUR FAMILY SPORTS PUB WILL DEPEND ON A NUMBER OF

FACTORS SPECIFIC TO YOU, INCLUDING YOUR EXPENSES FOR THE FOREGOING, THE DEGREE OF LOCAL COMMUNITY MARKETING YOU UNDERTAKE, AND OTHER ITEMS.

YOUR ACTUAL ADJUSTED GROSS SALES MAY DIFFER SUBSTANTIALLY FROM THE DATA PRESENTED ABOVE DUE TO A VARIETY OF FACTORS, SUCH AS REGIONAL MARKET VARIATIONS, THE DEMOGRAPHICS OF AN AREA, LIFESTYLES OF CUSTOMERS IN THE MARKET AREA, LOCATION OF A YOUR FAMILY SPORTS PUB AND OTHER MARKET CHARACTERISTICS AS WELL AS YOUR BUSINESS ABILITIES AND EFFORTS. YOU SHOULD CONSULT OTHER SOURCES, YOUR FINANCIAL ADVISORS AND, FRANCHISEES OF EXISTING FAMILY SPORT PUBS IN ORDER TO COMPARE FRANCHISEES' GROSS SALES EXPERIENCE AND TO OBTAIN ADDITIONAL INFORMATION NECESSARY TO DEVELOP ESTIMATES OF THE COST, EXPENSES, EARNINGS, AND PROFITS OF FAMILY SPORTS PUBS.

SOME OUTLETS HAVE SOLD THIS AMOUNT. YOUR INDIVIDUAL RESULTS MAY DIFFER. THERE IS NO ASSURANCE THAT YOU WILL SELL AS MUCH.

WRITTEN SUBSTANTIATION OF THE DATA USED IN PREPARING THIS FINANCIAL PERFORMANCE REPRESENTATION WILL BE MADE AVAILABLE TO YOU ON REASONABLE REQUEST.

EXCEPT AS OTHERWISE PROVIDED IN THIS EXHIBIT, THE PRESENTATION OF INFORMATION REGARDING EARNINGS CAPABILITY IN CONNECTION WITH THIS FRANCHISE OFFERING IS ABSOLUTELY PROHIBITED. Any representations to the contrary and any projections or predictions, written or oral, direct or indirect, as to the amount of attainment of any potential sales, costs, and expenses, profits or earnings which may arise from the operation of the Family Sports Pubs, if given or made, MUST NOT BE RELIED UPON as having been authorized by us for use in connection with the sale of this franchise.

#### **NOTES**

(1) The term "**Gross Sales**" means all revenue derived from operating a Family Sports Pub, including, but not limited to, all amounts it receives at or away from the Site from any activities or services whatsoever including any that are in any way associated with the Marks, and whether from cash, check, barter, credit or debit card or credit transactions, including the redemption value of gift certificates redeemed by the Pub regardless of whether such gift certificates are issued by it or someone else; but excluding (1) all federal, state or municipal sales, use or service taxes collected from customers and paid to the appropriate taxing authority and (2) customer refunds, adjustments, credits and allowances actually made by the Family Sports Pub. Gross Sales also includes revenues from delivery service sales, retail, concessions, hotel room service, catering, special functions, etc. and sales of products bearing or associated with the Marks.

The term "**Adjusted Gross Sales**" means Gross Sales less: (i) complimentary food and beverage service, or sums collected and actually paid by you for any sales, drink or other excise tax imposed by any duly constituted governmental authority on alcoholic beverages sales in a state that prohibits the payment of Royalties on such sales; (ii) the value of gift certificates and the amounts paid for them; (iii) the amount of over-rings, allowances, discounts to customers, tips to employees (including discounts attributable to coupon sales, provided they have been included in Gross Sales); and (iv) isolated sales of non-inventory items or the bulk sales of the business itself, if the same have been included in Gross Sales.

The historic sales data in this Financial Performance Representation reflects the average Adjusted Gross Sales for franchised Beef 'O' Brady's Family Sports Pubs for at least 18 months before December 31, 2010. Company-owned restaurants are not included. The information pertains to all franchised Mature Beef 'O' Brady's Family Sports Pubs which reported Average Adjusted Gross Sales for the years 2008 – 2010. The information is presented as a grand total for the entire system for all franchised Mature Beef 'O' Brady's Family Sports Pubs and it is also divided into in 4 geographic subsets consisting of Mid Atlantic, Mid South and Midwest Regions and the State of Florida.

(2) Characteristics of the included restaurants may differ substantially from your restaurant depending on your previous experience, competition in your area, and length of time that the included restaurants have operated as compared to your restaurant.

*[Remainder of Page Intentionally Left Blank]*



**Item 20. OUTLETS AND FRANCHISEE INFORMATION.**

**Table No. 1**

**Systemwide Outlet Summary  
For Years December 31, 2009 to December 31, 2011**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2009	266	250	-16
	2010	250	221	-29
	2011	221	213	-8
Company-Owned	2009	1	1	0
	2010	1	1	0
	2011	1	3	2
Total Outlets	2009	267	251	-16
	2010	251	222	-29
	2011	222	216	-6

**Table No. 2**

**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)  
For years December 31, 2009 to December 31, 2011**

State	Year	Number of Transfers
Florida	2009	3
	2010	4
	2011	4
Georgia	2009	0
	2010	0
	2011	0
Indiana	2009	1
	2010	1
	2011	0
Kentucky	2009	0
	2010	0
	2011	0
Maryland	2009	0
	2010	0
	2011	0
Ohio	2009	0
	2010	0
	2011	1
Tennessee	2009	0
	2010	0
	2011	0

State	Year	Number of Transfers
Total	2009	4
	2010	5
	2011	5

**Table No. 3**

**Status of Franchised Outlets  
For years December 31, 2009 to December 31, 2011**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Alabama	2009	7	0	0	0	0	0	7
	2010	7	1	0	0	0	0	8
	2011	8	1	0	0	0	0	9
Arkansas	2009	2	0	0	0	0	0	2
	2010	2	1	0	0	0	0	3
	2011	3	1	0	0	0	0	4
Colorado	2009	1	0	0	0	0	0	1
	2010	1	1	0	0	0	1	1
	2011	1	0	0	0	0	1	0
Florida	2009	137	12	0	0	0	11	138
	2010	138	6	0	0	0	17	127
	2011	127	4	0	0	0	6	125
Georgia	2009	26	2	0	0	0	11	17
	2010	17	0	0	0	0	4	13
	2011	13	0	0	1	0	3	9
Illinois	2009	2	1	0	0	0	0	3
	2010	3	0	0	0	0	2	1
	2011	1	0	0	0	0	0	1
Indiana	2009	12	0	0	0	0	1	11
	2010	11	0	0	0	0	3	8
	2011	8	0	0	0	0	0	8
Iowa	2009	1	0	0	0	0	0	1
	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
Idaho	2009	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0
	2011	0	1	0	0	0	0	1
Kentucky	2009	15	2	0	0	0	1	16
	2010	16	2	0	0	0	3	15
	2011	15	0	0	0	0	1	14
Louisiana	2009	1	0	0	0	0	0	1
	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Maine	2009	0	1	0	0	0	0	1
	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
Maryland	2009	2	0	0	0	0	0	2
	2010	2	0	0	0	0	0	2
	2011	2	0	0	0	0	1	1
Michigan	2009	3	0	0	0	0	1	2
	2010	2	0	0	0	0	0	2
	2011	2	0	0	0	0	0	2
Minnesota	2009	2	0	0	0	0	0	2
	2010	2	1	0	0	0	0	3
	2011	3	0	0	0	0	1	2
Mississippi	2009	4	1	0	0	0	1	4
	2010	4	1	0	0	0	0	5
	2011	5	0	0	0	0	1	4
Missouri	2009	1	0	0	0	0	0	1
	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
North Carolina	2009	12	0	0	0	0	3	9
	2010	9	0	0	0	0	3	6
	2011	6	0	0	0	0	1	5
Ohio	2009	9	1	0	0	0	4	6
	2010	6	1	0	0	0	1	6
	2011	6	1	0	0	0	1	6
South Carolina	2009	14	3	0	0	0	5	12
	2010	12	0	0	0	0	3	9
	2011	9	0	0	0	0	3	6
Tennessee	2009	7	2	0	0	0	2	7
	2010	7	0	0	0	0	5	2
	2011	2	1	0	0	0	0	3
Texas	2009	4	1	0	0	0	0	5
	2010	5	0	0	0	0	0	5
	2011	5	3	0	0	0	0	8
Virginia	2009	2	0	0	0	0	1	1
	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
Wisconsin	2009	2	0	0	0	0	1	1
	2010	1	0	0	0	0	1	0
	2011	0	0	0	0	0	0	0
Totals	2009	266	26	0	0	0	42	250
	2010	250	14	0	0	0	43	221
	2011	221	12	0	1	0	19	213

**Table No. 4**

**Status of Company-Owned Outlets  
For years December 31, 2009 to December 31, 2011**

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Florida (1)	2009	1	0	0	0	0	1
	2010	1	0	0	0	0	1
	2011	1	0	2	0	0	3
Totals	2009	1	0	0	0	0	1
	2010	1	0	0	0	0	1
	2011	1	0	2	0	0	3

(1) In 2009 and 2010, we only reported as Company-Owned Outlets those outlets in which we or an affiliate owned more than 51% of the ownership interest. In 2011, we or an affiliate obtained more than 51% ownership interest in 2 previously existing outlets in which we previously held a minority interest.

**Table No. 5**

**Projected Openings As Of December 31, 2011**

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet in The Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
Alabama	1	1	0
Arizona	0	1	0
Arkansas	1	1	0
California	2	2	0
Florida	21	11	0
Indiana	1	1	0
Mississippi	2	1	0
North Carolina	1	1	0
Tennessee	0	1	0
Texas	1	2	0
Total	30	32	0

**Exhibit B** lists the name of our current franchisees and area developers and the address and telephone number of each of their outlets as of December 31, 2011. We were assigned most of these franchisees from our predecessor, FSCI, under the Agreement (See Item 1).

**Exhibit C** lists the name, city and state, and current business telephone number, or if unknown, the last known home telephone number for each franchisee or area developer who had an outlet terminated,

canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement or area development agreement during the most recently completed fiscal year or who did not communicate with us within 10 weeks of the disclosure document issuance date.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. In some instances, current and former franchisees have signed provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

There are no trademark specific franchisee organizations associated with the franchise system being offered.

**Item 21. FINANCIAL STATEMENTS.**

Attached as **Exhibit A** are our audited financial statements as of December 31, 2011, and our audited consolidated balance sheets as of December 31, 2010 and 2009. Our fiscal year end is December 31.

**Item 22. CONTRACTS.**

The following agreements are attached as exhibits to this disclosure document:

1. Form of Training Store Waiver and Release – **Exhibit E**
2. Form of Area Development Agreement – **Exhibit I**
3. Form of Franchise Agreement – **Exhibit J**
4. Form of Agreement to Lease – **Exhibit K**
5. Form of Lease Agreement – **Exhibit L**
6. Form of Franchisee Questionnaire – **Exhibit M**
7. Form of Release – **Exhibit O**

**Item 23. RECEIPTS.**

2 copies of an acknowledgment of your receipt of this disclosure document appear as **Exhibit P**. Please return one copy to us and retain the other copy for your records.

**EXHIBIT "A" TO THE DISCLOSURE DOCUMENT**

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**FINANCIAL STATEMENTS**

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**FSC FRANCHISE CO., LLC AND SUBSIDIARIES  
(D/B/A BEEF 'O' BRADY'S® FAMILY SPORTS PUBS)**

**Consolidated Financial Statements  
December 31, 2011 and 2010**

**FSC FRANCHISE CO., LLC AND SUBSIDIARIES  
(D/B/A BEEF O' BRADY'S® FAMILY SPORTS PUBS)**

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## Report of Independent Certified Public Accountants

Board of Managers  
FSC Franchise Co., LLC and Subsidiaries  
d/b/a Beef 'O' Brady's® Family Sports Pubs  
Tampa, Florida

We have audited the accompanying consolidated balance sheets of FSC Franchise Co., LLC and Subsidiaries, d/b/a Beef 'O' Brady's® Family Sports Pubs (the "Company") as of December 31, 2011 and 2010, and the related consolidated statements of operations, members' equity, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2011 and 2010, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Cherry, Bekaert & Holland, L.L.P.*

Tampa, Florida  
March 26, 2012

**FSC FRANCHISE CO., LLC AND SUBSIDIARIES**  
**(d/b/a Beef 'O' Brady's® Family Sports Pubs)**

**Consolidated Balance Sheets**

	December 31,	
	2011	2010
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 1,121,246	\$ 321,297
Accounts receivable, trade, net of \$135,000 (2011) and \$146,000 (2010) allowance for uncollectible accounts	839,626	867,979
Inventory	42,774	15,497
Current maturities of notes receivable, net of \$33,000 (2011) and \$107,000 (2010) allowance for uncollectible accounts	76,758	137,991
Note receivable, related party	-	3,000
Other current assets	51,896	29,030
Total current assets	2,132,300	1,374,794
<b>Notes receivable, net of current maturities</b>	30,751	15,269
<b>Investment in unconsolidated affiliates</b>	-	403,753
<b>Property and equipment, net</b>	543,170	47,495
<b>Goodwill</b>	454,760	123,287
	\$ 3,160,981	\$ 1,964,598
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 717,861	\$ 744,962
Notes payable	167,378	-
Due to related party	29,830	73,654
Unearned franchise fees	779,500	788,000
Total current liabilities	1,694,569	1,606,616
<b>Commitments and contingencies (Notes 5 and 7)</b>	-	-
<b>Members' equity:</b>		
Parent company member's equity	1,438,234	362,635
Noncontrolling interests	28,178	(4,653)
Total members' equity	1,466,412	357,982
Total liabilities and members' equity	\$ 3,160,981	\$ 1,964,598

**FSC FRANCHISE CO., LLC AND SUBSIDIARIES**  
**(d/b/a Beef 'O' Brady's® Family Sports Pubs)**

**Consolidated Statements of Operations**

	<b>Years Ended December 31,</b>	
	<b>2011</b>	<b>2010</b>
<b>Revenue:</b>		
Unit royalty fees	\$ 7,050,526	\$ 6,866,134
Product sale rebates	433,882	479,925
Initial franchise fees	525,500	515,450
Net revenues from restaurant operations	950,623	649,576
Other	142,576	112,997
	<u>9,103,107</u>	<u>8,624,082</u>
<b>Expenses:</b>		
Payroll and related	2,597,559	2,491,845
Legal and professional	280,061	633,676
Other general and administrative	1,806,831	2,775,755
Restaurant operating expenses	666,334	435,838
	<u>5,350,785</u>	<u>6,337,114</u>
<b>Income from operations</b>	<u>3,752,322</u>	<u>2,286,968</u>
<b>Other income (expense):</b>		
Interest expense	(3,578)	-
Interest income	23	393
Gain on acquisition of businesses	52,350	-
Equity in earnings of unconsolidated affiliates	20,381	1,824
	<u>104,173</u>	<u>2,217</u>
<b>Net other income</b>	<u>104,173</u>	<u>2,217</u>
<b>Net income</b>	3,821,498	2,289,185
<b>Less: net income attributable to the noncontrolling interests</b>	<u>(57,963)</u>	<u>(62,460)</u>
<b>Net income attributable to parent company</b>	<u>\$ 3,763,535</u>	<u>\$ 2,226,725</u>

**FSC FRANCHISE CO., LLC AND SUBSIDIARIES**  
**(d/b/a Beef 'O' Brady's® Family Sports Pubs)**

**Consolidated Statements of Members' Equity**  
**Years Ended December 31, 2011 and 2010**

	<u>Parent Company Member's Equity</u>	<u>Noncontrolling Interests</u>	<u>Total Equity</u>
<b>Balances, January 1, 2010</b>	\$ 811,316	\$ (6,161)	\$ 805,155
Distributions to members	(2,675,406)	(60,952)	(2,736,358)
Net income	<u>2,226,725</u>	<u>62,460</u>	<u>2,289,185</u>
<b>Balances, December 31, 2010</b>	362,635	(4,653)	357,982
Equity in unconsolidated affiliates prior to consolidation	-	46,613	46,613
Distributions to members	(2,687,936)	(71,745)	(2,759,681)
Net income	<u>3,763,535</u>	<u>57,963</u>	<u>3,821,498</u>
<b>Balances, December 31, 2011</b>	<u>\$ 1,438,234</u>	<u>\$ 28,178</u>	<u>\$ 1,466,412</u>

**FSC FRANCHISE CO., LLC AND SUBSIDIARIES**  
**(d/b/a Beef 'O' Brady's® Family Sports Pubs)**

**Consolidated Statements of Cash Flows**

	<b>Years Ended December 31,</b>	
	<b>2011</b>	<b>2010</b>
<b>Cash flows from operating activities:</b>		
Net income	\$ 3,821,498	\$ 2,289,185
Adjustments to reconcile net income to net cash flows from operating activities:		
Bad debt expense	182,500	228,894
Depreciation and amortization	41,627	27,631
Equity in earnings in unconsolidated affiliates	(20,381)	(1,824)
Gain on acquisition of businesses	(52,350)	-
Loss on sale of investment in unconsolidated affiliate	7,934	-
Increase (decrease) in cash resulting from changes in:		
Accounts receivable, trade	(154,147)	(108,820)
Inventory	(6,381)	-
Notes receivable	48,751	75,836
Other current assets	(13,593)	2,487
Accounts payable and accrued expenses	(37,529)	518,048
Unearned franchise fees	(8,500)	(286,583)
Net cash flows from operating activities	3,809,429	2,744,854
<b>Cash flows from investing activities:</b>		
Acquisition of property and equipment	(187,972)	(53,860)
Cash paid for acquisition of business	(68,000)	-
Proceeds from sale of property and equipment	-	52
Proceeds from sale of investment in unconsolidated affiliate	89,675	-
Distributions received from unconsolidated affiliates	64,944	84,001
Net cash flows from investing activities	(101,353)	30,193
<b>Cash flows from financing activities:</b>		
Distributions to noncontrolling members of consolidated subsidiaries	(71,745)	(60,952)
Distributions to parent company	(2,687,936)	(2,675,406)
(Repayment of) proceeds from related party borrowings	(43,824)	73,654
Payments on notes payable	(104,622)	-
Net cash flows from financing activities	(2,908,127)	(2,662,704)
<b>Net change in cash and cash equivalents</b>	799,949	112,343
<b>Cash and cash equivalents, beginning of year</b>	321,297	208,954
<b>Cash and cash equivalents, end of year</b>	\$ 1,121,246	\$ 321,297

**SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION**

**Non cash investing and financing activities:**

Businesses acquired through issuance of notes payable	\$ 272,000	\$ -
Cash paid during the year for interest	\$ 3,578	\$ -

**FSC FRANCHISE CO., LLC AND SUBSIDIARIES**  
**(d/b/a Beef 'O' Brady's® Family Sports Pubs)**

**Notes to Consolidated Financial Statements**  
**December 31, 2011 and 2010**

**Note 1 – Nature of Business and Summary of Significant Accounting Policies**

*Nature and Organization of Business* – FSC Franchise Co., LLC and Subsidiaries, d/b/a Beef 'O' Brady's® Family Sports Pubs, (the "Company") was organized as a limited liability company in Delaware on June 27, 2007. The Company is a wholly owned subsidiary of FSC Franchise Holdings, LLC ("Holdings"). As of December 31, 2009, Holdings was a wholly owned subsidiary of Family Sports Concepts, Inc. ("FSCI"). On March 12, 2010, FSCI and the lender on Holding's senior and senior subordinated debt (the "Lender") (see Note 5) entered into a Settlement Agreement whereby the Lender purchased 100% of the outstanding equity interest in Holdings from FSCI. As a result of this transaction, Holdings and the Company are no longer owned by FSCI.

The Company was established to develop and franchise the Beef 'O' Brady's® Family Sports Pubs primarily in the Southeastern and Midwestern United States.

During the period from January 1, 2010 through December 31, 2011, the Company's total store openings, closings and status are as follows:

	<u>Number of Stores</u>
January 1, 2010	248
Stores opened	14
Stores closed	(43)
January 1, 2011	<u>219</u>
Stores opened	11
Stores closed	(20)
December 31, 2011	<u><u>210</u></u>

Furthermore, at December 31, 2011, the Company has collected \$779,500 for unearned initial franchise fees and deposits on area development agreements. The Company has estimated that 22 new stores are expected to open in 2012.

*Principles of Consolidation* – The consolidated financial statements include the accounts of the Company and its majority-owned subsidiaries, Beef Power, LLC (66.98% owned), Summerfield, LLC (80% owned) and Riverview, LLC (100% owned). All significant intercompany balances and transactions have been eliminated in consolidation. The minority ("noncontrolling") interests in Beef Power, LLC and Summerfield, LLC are reported separately in the equity section of the Company's consolidated balance sheets.

*Revenue Recognition* – The Company typically receives an initial franchise fee ranging from \$15,000 to \$35,000 for any restaurant opened by a new owner. In the case of a transfer of an existing restaurant, a transfer fee will be charged in the range of \$7,000 to \$20,000. These initial franchise fees will be recognized as revenue when substantially all the initial services required by the franchise agreement have been performed and operations commence (typically when the restaurant is opened).

The Company recognizes area development fees as revenue pro-rata on a per-unit basis as each store covered by the agreement is opened. Area development fees earned are included in initial franchise fees in the accompanying consolidated statements of operations.

**FSC FRANCHISE CO., LLC AND SUBSIDIARIES**  
**(d/b/a Beef 'O' Brady's® Family Sports Pubs)**

**Notes to Consolidated Financial Statements**  
**December 31, 2011 and 2010**

**Note 1 – Nature of Business and Summary of Significant Accounting Policies (continued)**

The Company recognizes ongoing unit royalty fees under its 10-year franchise agreements (ranging from 2.0% to 4.0% of franchisee sales depending on when the agreement was signed) monthly, as earned. Estimates at the end of each period are made based on historical sales reported for each store.

Finally, the Company has a rebate agreement with the producer of one of its condiments (“wing sauce”) whereby the Company earns \$11.50 for every case of wing sauce sold by the producer to the Company’s franchisees. Rebates under this agreement are recognized monthly, as earned (with estimates made at the end of each period based on sales volumes for each store) and are included in product sale rebates in the accompanying consolidated statements of operations.

*Cash and Cash Equivalents* – The Company considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

*Concentrations of Credit Risk and Accounts and Notes Receivable* – Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents and accounts and notes receivable.

The Company places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation covers \$250,000 for substantially all depository accounts and temporarily provides unlimited coverage through December 31, 2012 for certain qualifying and participating non-interest bearing transaction accounts. The Company, from time to time, may have amounts on deposit in excess of the insured limits. As of December 31, 2011, the Company had cash and cash equivalents of approximately \$601,000 which exceeded these insured amounts.

Accounts receivable, trade consist of receivables due from franchisees for royalty fees based on gross sales for each restaurant. The Company does not require collateral for its receivables. Management performs ongoing credit evaluations of its franchisees and establishes an allowance for estimated uncollectible accounts when the potential for such losses becomes probable. Any problem accounts are discussed with the individual stores and additional training and guidance is provided to improve results of operations and bring the stores in line with expectations. In certain cases delinquent trade receivables may be converted to long-term notes. In addition, non-performing stores may receive temporary abatements of royalties as determined by management. In these instances, no revenues are recorded.

The allowance for uncollectible accounts at December 31, 2011 was \$135,000 related to accounts receivable and approximately \$33,000 related to notes receivable, which management deems adequate. Future bad debts could exceed these amounts.

*Inventory* – Inventory consists of food and beverages and is stated at cost, determined on a first-in-first-out basis.

**FSC FRANCHISE CO., LLC AND SUBSIDIARIES**  
**(d/b/a Beef 'O' Brady's® Family Sports Pubs)**

**Notes to Consolidated Financial Statements**  
**December 31, 2011 and 2010**

**Note 1 – Nature of Business and Summary of Significant Accounting Policies (continued)**

*Goodwill* – Goodwill primarily represents the excess of the purchase price over the fair value of net assets acquired in conjunction with the business acquisitions discussed in Note 2. The Company tests goodwill for impairment annually and in interim periods if certain events occur which indicates that the carrying value of goodwill may be impaired. The goodwill impairment test is a two-step process. The first step of the impairment analysis compares the fair value of the reporting unit to which the goodwill relates to the carrying value of the reporting unit. If the fair value is less than the carrying value of the reporting unit, the second step of the analysis compares the implied fair value of goodwill to its carrying amount. If the carrying amount of goodwill exceeds its implied fair value, the Company would recognize an impairment loss equal to that excess amount. There was no impairment of goodwill recognized for the years ended December 31, 2011 and 2010.

*Investment in Unconsolidated Affiliates* – Investment in unconsolidated affiliates are accounted for based upon the equity method of accounting, wherein the investment is accounted for at cost plus the Company's share of net income or loss of the affiliate, less any distributions received from the affiliate.

During 2011, the Company purchased controlling equity interests in certain unconsolidated affiliates, and those affiliates' financial statements are now consolidated with those of the Company (see Note 2).

*Property and Equipment* – Property and equipment is recorded at cost. Depreciation is determined using the straight-line method over the estimated useful lives of the assets which range from 3 to 39 years, or, in the case of leasehold improvements, over the shorter of the life of the lease or the assets' useful life.

*Income Taxes* – The Company is a single member limited liability company and is treated as a disregarded entity for income tax purposes since their results of operations have been included, for income tax purposes, with those of Holdings, and the tax liability associated therewith is that of Holdings' members. As such, no provision for income taxes is included in the accompanying consolidated financial statements. In that regard, management has evaluated all tax positions that could have a significant effect on the financial statements and determined the Company had no uncertain income tax positions that would have a material impact on the December 31, 2011 and 2010 financial statements. Holding's federal income tax returns for 2008, 2009 and 2010 are subject to examination by the Internal Revenue Service, generally for the three years after the income tax returns are filed.

*Advertising Expenses* – The Company expenses the costs of advertising, which includes promotional expenses, as incurred. For the year ended December 31, 2011, total advertising was approximately \$128,000, of which \$49,000 was paid to Beef 'O' Brady's® Marketing and Development Fund. For the year ended December 31, 2010, total advertising was approximately \$47,000, of which \$34,000 was paid to Beef 'O' Brady's® Marketing and Development Fund (see Note 5).

*Use of Estimates* – The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.



**FSC FRANCHISE CO., LLC AND SUBSIDIARIES**  
**(d/b/a Beef 'O' Brady's® Family Sports Pubs)**

**Notes to Consolidated Financial Statements**  
**December 31, 2011 and 2010**

**Note 1 – Nature of Business and Summary of Significant Accounting Policies (continued)**

*Subsequent Events* – Management has considered subsequent events through March 26, 2012 (the date the consolidated financial statements were available to be issued) in connection with the preparation of these consolidated financial statements.

**Note 2 – Business Acquisitions**

On August 15, 2011, the Company purchased controlling equity interests in Summerfield Beef's, LLC ("Summerfield") and Riverview Beef's, LLC ("Riverview") in exchange for cash and notes payable. Each of these entities operate a Beef 'O' Brady's Family Sports Pub. In connection with these acquisitions, the Company increased its ownership in these entities from 40% to 80% for Summerfield and from 50% to 100% for Riverview. Prior to the acquisition of these controlling interests, the Company accounted for these investments under the equity method of accounting. The purchases of the controlling interests were accounted for as a business acquisition whereby 1) the carrying value of the investments in previously unconsolidated affiliates was adjusted to fair value (resulting in a \$52,350 net gain), and the purchase price of the controlling interests was allocated to the underlying assets acquired and liabilities assumed ("net assets") based upon their fair values. Goodwill was recognized to the extent of the excess of the purchase price over the fair value of the net assets acquired.

The following table summarizes the consideration paid and the fair values of the assets acquired and liabilities assumed at the acquisition date for the Riverview and Summerfield stores:

	<b>Riverview</b>	<b>Summerfield</b>
Consideration paid:		
Cash	\$ 41,364	\$ 26,636
Notes payable <sup>(1)</sup>	165,456	106,544
Fair value of total consideration transferred	\$ 206,820	\$ 133,180
Fair values of identifiable assets acquired and liabilities assumed:		
Assets acquired:		
Cash	\$ 18,314	\$ 28,352
Inventory	8,216	12,682
Other current assets	5,998	3,275
Property and equipment	112,000	237,330
Goodwill	283,813	47,661
Assets acquired	428,341	329,300
Assumed liabilities:		
Accrued expenses	(14,701)	(16,327)
Fair value of net assets	413,640	312,973
Fair value of equity interest previously owned	(206,820)	(133,180)
Fair value of non controlling interest <sup>(2)</sup>	-	(46,613)
Purchase price of controlling interests	\$ 206,820	\$ 133,180

(1) Notes payable to the sellers had an aggregate balance of \$167,378 at December 31, 2011 and are payable in \$15,112 monthly installments, including interest at 4%, through February 15, 2013.

(2) The fair value of the 20% Summerfield non-controlling interest was determined by reducing the fair value of the interest on a control / marketable basis for a 30% minority interest discount.

**FSC FRANCHISE CO., LLC AND SUBSIDIARIES**  
**(d/b/a Beef 'O' Brady's® Family Sports Pubs)**

**Notes to Consolidated Financial Statements**  
**December 31, 2011 and 2010**

**Note 3 – Investment in Unconsolidated Affiliates**

Investment in unconsolidated affiliates at December 31, 2010 are as follows:

<u>Affiliates</u>	<u>Ownership Percentage</u>
Apollo Beach Beef's, LLC	50%
Riverview Beef's, LLC	50%
Summerfield Beef's, LLC	40%

Summarized condensed unaudited financial information for each of the unconsolidated affiliates as of December 31, 2010 is as follows:

<u>December 31, 2010</u>	<u>Apollo Beach Beef's, LLC</u>	<u>Riverview Beef's, LLC</u>	<u>Summerfield Beef's, LLC</u>
Fixed assets, net	\$ 27,847	\$ 18,296	\$ 276,623
Goodwill, net	173,723	235,659	-
Total assets	233,958	347,503	312,343
Total liabilities	62,689	22,111	17,901
Gross revenues	712,475	997,616	1,225,608
Net (loss) income	(71,731)	32,912	53,082

As discussed in Note 2, the controlling interests in Summerfield and Riverview were acquired by the Company on August 15, 2011 and, as such, the financial statements of these entities are thereafter consolidated with those of the Company. The Company sold its entire interest in Apollo Beach Beef's, LLC in December 2011 for \$89,675.

**Note 4 – Notes Receivable**

Notes receivable consist of previously delinquent trade receivables from 25 franchisees that were converted to notes. These notes are unsecured and bear interest ranging from 0% to 18% and are due in monthly installments through December 2013.

**Note 5 – Related Party Transactions**

*Beef 'O' Brady's Marketing and Development Fund* – The Company administers the Beef 'O' Brady's® Marketing and Development Fund, Inc. (the "Fund"), which is required under the franchise agreement. The Fund covers costs incident to promotion and public relations, merchandising, product research and development, and advertising campaigns and programs that are local, regional, national or international in character designed to promote Beef 'O' Brady's® Family Sports Pub Franchisees and the products and services offered by them. The Fund receives a fee equal to 1.5% of net monthly sales from each franchisee. Additionally, certain product rebates have been assigned to the Fund.

**FSC FRANCHISE CO., LLC AND SUBSIDIARIES**  
**(d/b/a Beef 'O' Brady's® Family Sports Pubs)**

**Notes to Consolidated Financial Statements**  
**December 31, 2011 and 2010**

**Note 5 – Related Party Transactions (continued)**

The Company charges the Fund for the use of office space, the rental of equipment and a portion of the administrative salaries for the Company's employees who perform work for the Fund. Charges for the years ended December 31, 2011 and 2010 were approximately \$137,000 and \$183,000, respectively, which are included as a reduction of other general and administrative expenses in the accompanying consolidated statements of operations.

*Guarantee* – On April 5, 2010, Holdings and the Lender entered into the Amended and Restated Securities Purchase Agreement whereby the Lender converted \$8,000,000 of senior subordinated debt for an additional equity position in Holdings. The Lender also waived all prior defaults on the debt covenants and eliminated all of the covenants other than the fixed charge coverage ratio. The Company remained a guarantor on the senior and senior subordinated debt held by Holdings. All of the Company's assets serve as collateral for this debt. At December 31, 2011, the outstanding balance on the senior and senior subordinated debt was \$12,928,007 and \$3,477,987 respectively. The senior and senior subordinated debt requires monthly interest only payments at 15% and are due on December 31, 2013.

**Note 6 – Property and Equipment**

Property and equipment consists of the following at December 31:

	<u>2011</u>	<u>2010</u>
Computers	\$ 203,608	\$ 188,400
Furniture and fixtures	138,263	110,748
Equipment	174,008	96,395
Construction work in process	90,444	-
Leasehold improvements	542,242	215,720
	<u>1,148,565</u>	<u>611,263</u>
Less accumulated depreciation	(605,395)	(563,768)
	<u>\$ 543,170</u>	<u>\$ 47,495</u>

Depreciation expense was approximately \$42,000 and \$28,000 for years ended December 31, 2011 and 2010, respectively.

**Note 7 – Commitments and Contingencies**

*Operating Leases* – The Company leases office under a non-cancelable operating lease agreement. The lease requires monthly payments of \$12,035 plus sales and use tax and expires in May 2012. Rent expense under this agreement aggregated approximately \$137,000 and \$137,000 for the years ended December 31, 2011 and 2010, respectively. In addition, the Company assumed a lease from Holdings whereby the Company will lease its Valrico Restaurant, operating as Beef Power, LLC, under a non-cancelable operating lease expiring June 2012. The Company also assumed leases through the acquisition of the additional interests in Riverview and Summerfield. The Summerfield lease is a non-cancelable operating lease expiring June 2016, while the Riverview lease expires October 2014, with an additional 5 year option to renew at that date.

**FSC FRANCHISE CO., LLC AND SUBSIDIARIES**  
**(d/b/a Beef 'O' Brady's® Family Sports Pubs)**

**Notes to Consolidated Financial Statements**  
**December 31, 2011 and 2010**

**Note 7 – Commitments and Contingencies (continued)**

Future minimum lease payments under all non-cancelable operating leases approximate the following:

<u>Years Ending December 31,</u>	
2012	\$ 194,682
2013	141,278
2014	144,941
2015	94,292
Thereafter	95,473
	<u>\$ 670,666</u>

Total rent expense for all operating leases was approximately \$288,000 and \$239,000 for the years ended December 31, 2011 and 2010, respectively.

*Employment Agreements* – The Company's CFO resigned from the Company and his employment agreement was terminated during the year. Severance costs associated with the departing executives of the Company were approximately \$97,000 and \$910,000 during 2011 and 2010, respectively, which is included in other general and administrative expense in the consolidated statements of operations.

During 2010 the Company entered into employment agreements with certain officers including employment agreements with a chief executive officer, chief operating officer and chief development officer. In 2011 the Company entered into an employment agreement with a new chief financial officer. The employment agreements have two to three year initial terms with automatic one-year renewals and provide for annual base salary amounts and performance-based bonuses. The base salary commitment included in the employment agreements approximate the following:

<u>Years Ending December 31,</u>	
2012	\$ 754,168
2013	285,420
	<u>\$ 1,039,588</u>

*Litigation* – The Company is involved in litigation in the ordinary course of business. In the opinion of management, these matters are adequately covered by insurance or indemnified by third-parties and/or the effect, if any, of these claims are not expected to be material to the reported financial condition or results of operations of the Company at December 31, 2011.

**FSC FRANCHISE CO., LLC AND SUBSIDIARY  
(D/B/A BEEF 'O' BRADY'S<sup>®</sup> FAMILY SPORTS PUBS)**

**Consolidated Financial Statements  
December 31, 2010 and 2009**

**FSC FRANCHISE CO., LLC AND SUBSIDIARY  
(D/B/A BEEF O' BRADY'S® FAMILY SPORTS PUBS)**

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## Report of Independent Certified Public Accountants

Board of Managers  
FSC Franchise Co., LLC and Subsidiary  
d/b/a Beef 'O' Brady's® Family Sports Pubs  
Tampa, Florida

We have audited the accompanying consolidated balance sheets of FSC Franchise Co., LLC and Subsidiary, d/b/a Beef 'O' Brady's® Family Sports Pubs (the "Company") as of December 31, 2010 and 2009 and the related consolidated statements of operations, member's equity, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2010 and 2009, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Cherry, Bekaert & Holland, L.L.P.*

Tampa, Florida  
March 21, 2011

**FSC Franchise Co., LLC and Subsidiary  
(d/b/a Beef 'O' Brady's® Family Sports Pubs)**

**Consolidated Balance Sheets**

	<b>December 31,</b>	
	<b>2010</b>	<b>2009</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 321,297	\$ 208,954
Accounts receivable, trade, net of \$146,000 (2010) and \$135,000 (2009) allowance for uncollectible accounts	867,979	981,995
Inventory	15,497	15,986
Current maturities of notes receivable, net of \$107,000 (2010) and \$96,000 (2009) allowance for uncollectible accounts	137,991	203,808
Note receivable, related party	3,000	5,000
Other current assets	29,030	31,028
Total current assets	1,374,794	1,446,771
Notes receivable, net of current maturities	15,269	29,346
Investment in unconsolidated affiliates	403,753	485,930
Property and equipment, net	47,495	21,318
Goodwill	123,287	123,287
Total assets	\$ 1,964,598	\$ 2,106,652
<b>LIABILITIES AND MEMBER'S EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 744,962	\$ 226,914
Due to related party	73,654	-
Unearned franchise fees	788,000	1,074,583
Total current liabilities	1,606,616	1,301,497
Commitments and contingencies (Notes 4 and 6)	-	-
<b>Member's equity</b>		
Parent company member's equity	362,635	811,316
Noncontrolling interest	(4,653)	(6,161)
Total member's equity	357,982	805,155
Total liabilities and member's equity	\$ 1,964,598	\$ 2,106,652



**FSC Franchise Co., LLC and Subsidiary**  
**(d/b/a Beef 'O' Brady's® Family Sports Pubs)**

**Consolidated Statements of Operations**

	<b>Years Ended December 31,</b>	
	<b>2010</b>	<b>2009</b>
Revenue:		
Unit royalty fees	\$ 6,866,134	\$ 6,940,923
Product sale rebates	479,925	564,079
Initial franchise fees	515,450	715,456
Net revenues from restaurant operations	649,576	580,605
Other	112,997	62,206
	<u>8,624,082</u>	<u>8,863,269</u>
Expenses:		
Payroll and related	2,491,845	2,917,519
Legal and professional	633,676	434,606
Other general and administrative	2,775,755	1,793,287
Restaurant operating expenses	435,838	433,766
	<u>6,337,114</u>	<u>5,579,178</u>
Income from operations	2,286,968	3,284,091
Other income (expense):		
Interest income	393	462
Equity in earnings (losses) in unconsolidated affiliates	1,824	(22,802)
	<u>2,289,185</u>	<u>3,261,751</u>
Net income	2,289,185	3,261,751
Less: net income attributable to the noncontrolling interest	<u>(62,460)</u>	<u>(45,543)</u>
Net income attributable to parent company	<u>\$ 2,226,725</u>	<u>\$ 3,216,208</u>

**FSC Franchise Co., LLC and Subsidiary  
(d/b/a Beef 'O' Brady's® Family Sports Pubs)**

**Consolidated Statements of Member's Equity  
Years Ended December 31, 2010 and 2009**

	<b>Parent Company Member's Equity</b>	<b>Noncontrolling Interest</b>	<b>Total Equity</b>
<b>Balances, January 1, 2009</b>	\$ 356,278	\$ (1,154)	\$ 355,124
<b>Contributions from member</b>	249,970	-	249,970
<b>Distributions to member</b>	(3,011,140)	(50,550)	(3,061,690)
<b>Net income</b>	<u>3,216,208</u>	<u>45,543</u>	<u>3,261,751</u>
<b>Balances, December 31, 2009</b>	811,316	(6,161)	805,155
<b>Distributions to member</b>	(2,675,406)	(60,952)	(2,736,358)
<b>Net income</b>	<u>2,226,725</u>	<u>62,460</u>	<u>2,289,185</u>
<b>Balances, December 31, 2010</b>	<u><u>\$ 362,635</u></u>	<u><u>\$ (4,653)</u></u>	<u><u>357,982</u></u>

**FSC Franchise Co., LLC and Subsidiary  
(d/b/a Beef 'O' Brady's® Family Sports Pubs)**

**Consolidated Statements of Cash Flows**

	<b>Years Ended December 31,</b>	
	<b>2010</b>	<b>2009</b>
Cash flows from operating activities:		
Net income	\$ 2,289,185	\$ 3,261,751
Adjustments to reconcile net income to net cash flows from operating activities:		
Bad debt expense	228,894	510,634
Depreciation and amortization	27,631	34,772
Equity in (earnings) losses in unconsolidated affiliates	(1,824)	22,802
Increase (decrease) in cash resulting from changes in:		
Accounts receivable, trade	(108,820)	(333,076)
Notes receivable	75,836	(145,343)
Other current assets	2,487	6,481
Accounts payable and accrued expenses	518,048	(16,987)
Unearned franchise fees	(286,583)	(449,167)
Net cash flows from operating activities	2,744,854	2,891,867
Cash flows from investing activities:		
Acquisition of property and equipment	(53,860)	(14,046)
Proceeds from sale of property and equipment	52	105
Distributions received from unconsolidated affiliates	84,001	53,400
Net cash flows from investing activities	30,193	39,459
Cash flows from financing activities:		
Distribution to noncontrolling members of consolidated subsidiary	(60,952)	(50,550)
Contributions from member	-	249,970
Distributions to parent company member	(2,675,406)	(3,011,140)
Borrowings from related party	73,654	-
Net cash flows from financing activities	(2,662,704)	(2,811,720)
Net change in cash and cash equivalents	112,343	119,606
Cash and cash equivalents, beginning of year	208,954	89,348
Cash and cash equivalents, end of year	\$ 321,297	\$ 208,954

**FSC Franchise Co., LLC and Subsidiary  
(d/b/a Beef 'O' Brady's® Family Sports Pubs)**

**Notes to Consolidated Financial Statements  
December 31, 2010 and 2009**

**Note 1 – Nature of Business and Summary of Significant Accounting Policies**

*Nature and Organization of Business* – FSC Franchise Co., LLC and Subsidiary, d/b/a Beef 'O' Brady's® Family Sports Pubs, (the "Company") was organized as a limited liability company in Delaware on June 27, 2007. The Company is a wholly owned subsidiary of FSC Franchise Holdings, LLC ("Holdings"). As of December 31, 2009, Holdings was a wholly owned subsidiary of Family Sports Concepts, Inc. ("FSCI"). On March 12, 2010, FSCI and the lender on Holding's senior and senior subordinated debt (the "Lender") (see Note 4) entered into a Settlement Agreement whereby the Lender purchased 100% of the outstanding equity interest in Holdings from FSCI. As a result of this transaction, Holdings and the Company are no longer owned by FSCI.

In conjunction with the Settlement Agreement, the Company's CEO and Chairman resigned from the Company and their employment agreements were terminated. In addition, the Company's President and Senior Vice President-Development, among others, were also terminated during 2010. Severance costs associated with the departing executives of the Company were approximately \$910,000 during 2010, which are included in other general and administrative expense in the 2010 consolidated statements of operations. The Company entered into an employment agreement with a new chief executive officer and other executives during 2010.

The Company was established to develop and franchise the Beef 'O' Brady's® Family Sports Pubs primarily in the Southeastern and Midwestern United States.

During the period from January 1, 2009 through December 31, 2010, the Company's total store openings, closings and status are as follows:

	<u><b>Number of Stores</b></u>
January 1, 2009	266
Stores opened	25
Stores closed	<u>(42)</u>
January 1, 2010	249
Stores opened	14
Stores closed	<u>(43)</u>
December 31, 2010	<u><u>220</u></u>

Furthermore, at December 31, 2010, the Company has collected \$788,000 for initial franchise fees and deposits on area development agreements. The Company has estimated that 15 new stores are expected to open in 2011.

*Principles of Consolidation* – The consolidated financial statements include the accounts of the Company and its majority-owned subsidiary, Beef Power, LLC. All significant intercompany balances and transactions have been eliminated in consolidation. The minority ("noncontrolling") interests in Beef Power, LLC are reported separately in the equity section of the Company's consolidated balance sheets.

**FSC Franchise Co., LLC and Subsidiary  
(d/b/a Beef 'O' Brady's® Family Sports Pubs)**

**Notes to Consolidated Financial Statements  
December 31, 2010 and 2009**

**Note 1 – Nature of Business and Summary of Significant Accounting Policies (continued)**

*Revenue Recognition* – The Company typically receives an initial franchise fee ranging from \$15,000 to \$35,000 for any restaurant opened by a new owner. In the case of a transfer of an existing restaurant, a transfer fee will be charged at the lesser of \$20,000 or 50% of the current franchise fee (\$17,500 at December 31, 2010). These initial franchise fees will be recognized as revenue when substantially all the initial services required by the franchise agreement have been performed and operations commence (typically when the restaurant is opened).

The Company recognizes area development fees as revenue pro-rata on a per-unit basis as each store covered by the agreement is opened. Area development fees earned are included in initial franchise fees in the accompanying consolidated statements of operations.

The Company recognizes ongoing unit royalty fees under its 10-year franchise agreements (ranging from 2.5% to 4.0% of franchisee sales depending on when the agreement was signed) monthly, as earned. Estimates at the end of each period are made based on historical sales reported for each store.

Finally, the Company has a rebate agreement with the producer of one of its condiments (“wing sauce”) whereby the Company earns \$11.50 for every case of wing sauce sold by the producer to the Company’s franchisees. Rebates under this agreement are recognized monthly, as earned (with estimates made at the end of each period based on sales volumes for each store) and are included in product sale rebates in the accompanying consolidated statements of operations.

*Cash and Cash Equivalents* – The Company considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

*Concentrations of Credit Risk and Accounts and Notes Receivable* – Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents and accounts and notes receivable.

The Company places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit insurance Corporation covers \$250,000 for substantially all depository accounts and temporarily provides unlimited coverage through December 31, 2012 for certain qualifying and participating non-interest bearing transaction accounts. The Company, from time to time, may have amounts on deposit in excess of the insured limits. As of December 31, 2010, the Company had approximately \$44,000 which exceeded these insured amounts.

**FSC Franchise Co., LLC and Subsidiary  
(d/b/a Beef 'O' Brady's® Family Sports Pubs)**

**Notes to Consolidated Financial Statements  
December 31, 2010 and 2009**

**Note 1 – Nature of Business and Summary of Significant Accounting Policies (continued)**

Accounts receivable, trade consist of receivables due from franchisees for royalty fees based on gross sales for each restaurant. The Company does not require collateral for its receivables. Management performs ongoing credit evaluations of its franchisees and establishes an allowance for estimated uncollectible accounts when the potential for such losses becomes probable. Any problem accounts are discussed with the individual stores and additional training and guidance is provided to improve results of operations and bring the stores in line with expectations. In certain cases delinquent trade receivables may be converted to long-term notes. In addition, non-performing stores may receive temporary abatements of royalties as determined by management. In these instances, no revenues are recorded.

The allowance for uncollectible accounts at December 31, 2010 was \$146,000 related to accounts receivable and approximately \$107,000 related to notes receivable, which management deems adequate. Future bad debts could exceed these amounts.

*Inventory* – Inventory consists of food and beverages and is stated at cost, determined on a first-in-first-out basis.

*Goodwill* – Goodwill relates to the excess purchase price over the cost basis of the acquisition of a portion of the Company's majority-owned subsidiary. On an annual basis, the Company reviews goodwill for impairment. No impairment charges were required during the years ended December 31, 2010 or 2009.

*Investment in Unconsolidated Affiliates* – Investment in unconsolidated affiliates are accounted for based upon the equity method of accounting, wherein the investment is accounted for at cost plus the Company's share of net income or loss of the affiliate, less any distributions received from the affiliate.

*Property and Equipment* – Property and equipment is recorded at cost. Depreciation is determined using the straight-line method over the estimated useful lives of the assets which range from 3 to 39 years, or, in the case of leasehold improvements, over the shorter of the life of the lease or the assets' useful life.

*Income Taxes* – The Company is a single member limited liability company and is treated as a disregarded entity for income tax purposes since their results of operations have been included, for income tax purposes, with those of Holdings, and the tax liability associated therewith is that of Holdings' stockholders. As such, no provision for income taxes is included in the accompanying consolidated financial statements.

Management has evaluated the effect of the guidance provided by U.S. Generally Accepted Accounting Principles on accounting for uncertainty in income taxes and has determined that the Company had no uncertain income tax positions that could have a significant effect on the consolidated financial statements for the years ended December 31, 2010 or 2009.

**FSC Franchise Co., LLC and Subsidiary  
(d/b/a Beef 'O' Brady's® Family Sports Pubs)**

**Notes to Consolidated Financial Statements  
December 31, 2010 and 2009**

**Note 1 – Nature of Business and Summary of Significant Accounting Policies (continued)**

*Advertising Expenses* – The Company expenses the costs of advertising, which includes promotional expenses, as incurred. For the year ended December 31, 2010 total advertising was approximately \$47,000 of which \$34,000 was paid to Beef 'O' Brady's® Marketing and Development Fund. For the year ended December 31, 2009 total advertising was approximately \$49,000, of which \$31,000 was paid to Beef 'O' Brady's® Marketing and Development Fund (see Note 4).

*Use of Estimates* – The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

*Subsequent Events* – Management has considered subsequent events through March 21, 2011 (the date the consolidated financial statements were available to be issued) in connection with the preparation of these consolidated financial statements.

**Note 2 – Investment in Unconsolidated Affiliates**

As of December 31, 2010 and 2009, the Company owns the following interests in unconsolidated affiliates which are accounted for using the equity method:

Affiliates	Ownership Percentage	December 31,	
		2010	2009
Apollo Beach Beef's, LLC	50%	\$ 83,991	\$ 119,857
Riverview Beef's, LLC	50%	157,161	185,705
Summerfield Beef's, LLC	40%	162,601	180,368
		<u>\$ 403,753</u>	<u>\$ 485,930</u>

Apollo Beach Beef's, LLC, Riverview Beef's, LLC, and Summerfield Beef's, LLC were each formed to purchase and operate a Beef 'O' Brady's® Family Sports Pub.

Summarized condensed unaudited financial information for each of the unconsolidated affiliates as of December 31, 2010 and 2009 are as follows:

December 31, 2010	Apollo Beach Beef's, LLC	Riverview Beef's, LLC	Summerfield Beef's, LLC
Fixed assets, net	\$ 27,847	\$ 18,296	\$ 276,623
Goodwill, net	173,723	235,659	-
Total assets	233,958	347,503	312,343
Total liabilities	62,689	22,111	17,901
Gross revenues	712,475	997,616	1,225,608
Net (loss) income	(71,731)	32,912	53,082

**FSC Franchise Co., LLC and Subsidiary  
(d/b/a Beef 'O' Brady's® Family Sports Pubs)**

**Notes to Consolidated Financial Statements  
December 31, 2010 and 2009**

**Note 2 – Investment in Unconsolidated Affiliates (continued)**

<b>December 31, 2009</b>	<b>Apollo Beach Beef's, LLC</b>	<b>Riverview Beef's, LLC</b>	<b>Summerfield Beef's, LLC</b>
Fixed assets, net	\$ 61,940	\$ 51,452	\$ 321,822
Goodwill, net	194,387	263,907	-
Total assets	281,450	402,176	363,370
Total liabilities	41,961	19,696	17,010
Gross revenues	759,915	995,846	1,173,416
Net (loss) income	(57,815)	(3,908)	20,147

**Note 3 – Notes Receivable**

Notes receivable consist of previously delinquent trade receivables from 21 franchisees that were converted to notes. These notes are unsecured and bear interest ranging from 0% to 18% and are due in monthly installments through December 2012. At December 31, 2010 and 2009, the Company has an allowance for uncollectible accounts against the notes receivable of approximately \$107,000 and \$96,000, respectively. Approximately \$138,000 of the notes receivable are due in 2011 and approximately \$15,000 are due in 2012.

**Note 4 – Related Party Transactions**

*Note Receivable, Related Party* – Note receivable, related party represents advances made to an investor in Summerfield Beef's, LLC ("Summerfield"). The note receivable bears interest at the prime rate plus 1%, is secured by the borrower's membership interest in Summerfield and is due in 2011.

*Related Party Lease Activity* – The Company leases office space from an entity owned by a former stockholder of FSCI (effective March 12, 2010 – see Note 1) under a non-cancelable operating lease agreement. The lease requires monthly payments of \$12,035 plus sales and use tax and expires in May 2012. Rent expense under this agreement aggregated approximately \$137,000 and \$134,000 for the years ended December 31, 2010 and 2009, respectively.

*Other Related Party Transactions* – The Company administers the Beef 'O' Brady's® Marketing and Development Fund, Inc. (the "Fund"), which is required under the franchise agreement. The Fund covers costs incident to promotion and public relations, merchandising, product research and development, and advertising campaigns and programs that are local, regional, national or international in character designed to promote Beef 'O' Brady's® Family Sports Pub Franchisees and the products and services offered by them. The Fund receives a fee equal to 1.5% of net monthly sales from each franchisee. Additionally, certain product rebates have been assigned to the Fund.

The Company will charge the Fund for the use of office space, the rental of equipment and a portion of the administrative salaries for the Company's employees who perform work for the Fund. Charges for the years ended December 31, 2010 and 2009 were approximately \$183,000 and \$159,000, respectively, which are included as a reduction of other general and administrative expenses in the accompanying consolidated statements of operations.



**FSC Franchise Co., LLC and Subsidiary  
(d/b/a Beef 'O' Brady's® Family Sports Pubs)**

**Notes to Consolidated Financial Statements  
December 31, 2010 and 2009**

**Note 4 – Related Party Transactions (continued)**

*Guarantee* – On April 5, 2010, Holdings and the Lender entered into the Amended and Restated Securities Purchase Agreement whereby the Lender converted \$8,000,000 of senior subordinated debt for an additional equity position in Holdings. The Lender also waived all prior defaults on the debt covenants and eliminated all of the covenants other than the fixed charge coverage ratio. The Company remained a guarantor on the senior and senior subordinated debt held by Holdings. All of the Company's assets serve as collateral for this debt. At December 31, 2010, the outstanding balance on the senior and senior subordinated debt was \$13,000,000 and \$3,500,000, respectively. The senior and senior subordinated debt require monthly interest only payments at 15% and are due on December 31, 2013. As part of this agreement Holdings entered into a senior bridge note with a remaining principal of \$200,000 at December 31, 2010. The bridge note requires interest of 15% and was repaid in its entirety on February 28, 2011.

**Note 5 – Property and Equipment**

Property and equipment consists of the following at December 31:

	<u>2010</u>	<u>2009</u>
Computers	\$ 188,400	\$ 172,510
Furniture and fixtures	110,748	80,504
Equipment	96,395	92,211
Leasehold improvements	<u>215,720</u>	<u>213,606</u>
	611,263	558,831
Less accumulated depreciation	<u>(563,768)</u>	<u>(537,513)</u>
	<u>\$ 47,495</u>	<u>\$ 21,318</u>

Depreciation expense was approximately \$28,000 and \$35,000 for years ended December 31, 2010 and 2009, respectively.

**Note 6 – Commitments and Contingencies**

*Operating Leases* – In addition to the related party lease discussed in Note 4, the Company assumed a lease from Holdings whereby the Company will lease its Brandon Restaurant, operating as Beef Power, LLC, under a non-cancelable operating lease expiring June 2012.

Future minimum lease payments under all non-cancelable operating leases (including the related party lease discussed in Note 4) approximate the following:

<u>Years ending December 31,</u>		
2011		\$ 259,000
2012		124,000
2013		19,000
2014		19,000
Thereafter		<u>2,000</u>
		<u>\$ 423,000</u>

**FSC Franchise Co., LLC and Subsidiary  
(d/b/a Beef 'O' Brady's® Family Sports Pubs)**

**Notes to Consolidated Financial Statements  
December 31, 2010 and 2009**

**Note 6 – Commitments and Contingencies (continued)**

Total rent expense for all operating leases was approximately \$239,000 and \$252,000 for the years ended December 31, 2010 and 2009, respectively.

*Employment Agreements* – During 2007, the Company entered into employment agreements with certain officers including employment agreements with a new chief executive officer, chief operating officer and chief development officer (see Note 1). The employment agreements have two to three year initial terms with automatic one-year renewals and provide for annual base salary amounts and performance-based bonuses. The base salary commitment included in the employment agreements approximate the following:

<u>Years ending December 31,</u>	
2011	\$ 758,000
2012	629,000
2013	<u>181,000</u>
	<u><u>\$ 1,568,000</u></u>

The Company is involved in litigation in the ordinary course of business. In the opinion of management, these matters are adequately covered by insurance or indemnification from other third-parties and/or the effect, if any, of these claims are not expected to be material to the reported financial condition or results of operations of the Company at December 31, 2010.

# Exhibit B

## Names, Addresses and Telephone number of our current franchisees as of Wednesday, March 28, 2012

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### Alabama

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**Store # 045**  
**Trey Mobley, et. al. - Kennedy-Mobley Inc**  
*Partners in this store also have ownership in store# 398*  
2743 Montgomery Hwy. #1010  
Dothan, AL 36303  
(334) 678-0010

**Store # 304**  
**Todd Wysong, et. al. - Tri Coast Restaurant, LLC**  
*Partners in this store also have ownership in store# 305*  
4419 Rangeline Rd.  
Mobile, AL 36619  
(251) 661-3346

**Store # 305**  
**Bob Thunelius, et. al. - GTSCC, Inc.**  
*Partners in this store also have ownership in store# 304, 104*  
3385 Schillingers Road North, Ste. 1  
Semmes, AL 36575  
(251) 649-6998

**Store # 374**  
Larry Kessler, et. al. - LLNJ Enterprises, Inc  
6450 US Hwy 90, Suite J  
Spanish Fort, AL 36527  
(251) 447-0660

**Store # 397**  
Larry Hyde, et. al. - Hyde and Hyde, LLC.  
2776 Legends Pkwy  
Prattville, AL 36066  
(334) 290-9962

**Store # 398**  
**Trey Mobley, et. al. - Family Sports Diners, Inc.**  
*Partners in this store also have ownership in store# 045*  
621 Boll Weevil Circle, Ste. 32-A  
Enterprise, AL 36330  
(334) 348-9464

**Store # 464**  
**Dwayne Fisel, et. al. - Alabama Sports Group, LLC.**  
*Partners in this store also have ownership in store# 272*  
300 Westgate Plaza  
Andalusia, AL 36420  
(334) 222-9888

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Store # 508  
George McCluney - GEMCO, LLC.  
5519 Grove Blvd.  
Hoover, AL 35244  
(205) 987-9464

Store # 509  
Jeff Bradford - Andrew Jeffrey Bradford  
1849 Ogletree Road Suite 400  
Auburn, AL 36830  
(334) 521-7373

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### Arizona

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Store # 544  
Chris France, et. al. - CCK Holdings, LLC  
13699 N. Litchfield Rd  
Surprise, AZ 85374  
(623) 975-9464

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### Arkansas

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Store # 109  
Tim Jones, et. al. - Cheffield Enterprises, Inc  
115 Audubon Dr. #10  
Maumelle, AR 72113  
(501) 803-3500

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Store # 410  
Steve Jones, et. al. - Amato Family Sports, LLC.  
2500 SW 14th St., Ste. #108  
Bentonville, AR 72712  
(479) 268-4545

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Store # 513  
Randy Hull, et. al. - Randy & Michelle Hull  
201 Skyline Dr. #27  
Conway, AR 72032  
(501) 205-0608

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Store # 531  
Jimmy Didier, et. al. - JJRK Investments, LLC.  
12200 Hwy 71 S.  
Fort Smith, AR 72916  
(479) 646-9464

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# Exhibit B

## Names, Addresses and Telephone number of our current franchisees as of Wednesday, March 28, 2012

### Florida

<b>Store # 001</b> <b>J. J. Massaro, et. al. - Beef 'O' Brady's, Inc.</b> <i>Partners in this store also have ownership in store# 537, 160, 129, 100, 072, 050, 006, 004, 003</i> 210 S. Kings Ave. Brandon, FL 33511 (813) 681-3428	<b>Store # 008</b> <b>Lou DeLeo - J &amp; D Sports, Inc.</b> <i>Partners in this store also have ownership in store# 356</i> 300 Cypress Garden Blvd. Winter Haven, FL 33880 (863) 293-9464
<b>Store # 002</b> Jay Demo, et. al. - Brighton Shore Business Ventures, LLC. 205 Apollo Beach Blvd. Apollo Beach, FL 33572 (813) 641-1989	<b>Store # 009</b> <b>Sean Mellody, et. al. - Beef O Bradys Palma Ceia</b> <i>Partners in this store also have ownership in store# 537, 341, 160, 129, 100, 003</i> 2819 S. MacDill Ave. Tampa, FL 33629 (813) 835-9464
<b>Store # 003</b> <b>J. J. Massaro, et. al. - Beef O Bradys Bloomingdale</b> <i>Partners in this store also have ownership in store# 537, 160, 129, 100, 073, 009, 001</i> 4330 Bell Shoals Rd. Valrico, FL 33596 (813) 653-1888	<b>Store # 011</b> <b>Richard Parrish, et. al. - Eagle R&amp;R, Inc.</b> <i>Eagle R&amp;R, Inc. also owns store# 350, 348, 156, 025</i> 7833 Gall Blvd. Zephyrhills, FL 33541 (813) 780-7717
<b>Store # 004</b> <b>Jeanette Mellody - Wings Inc</b> <i>Partners in this store also have ownership in store# 072, 050, 006, 001</i> 2418 Jim Redman Pkwy Plant City, FL 33566 (813) 757-0300	<b>Store # 012</b> Joe Dolyak, et. al. - D & D Sports Inc. 2667 S. Woodland Blvd. DeLand, FL 32720 (386) 822-4633
<b>Store # 005</b> <b>Tim Bosko, et. al. - Bosko Family Ent., Inc.</b> <i>Partners in this store also have ownership in store# 144, 136, 029, 022</i> 4810 S. Florida Ave. Lakeland, FL 33813 (863) 646-7757	<b>Store # 014</b> <b>Steve Slowey, et. al. - S&amp;B Wings, Inc.</b> <i>Partners in this store also have ownership in store# 517, 429, 129, 102, 072, 024</i> 21539 Village Lakes Shopping Ctr. Land O' Lakes, FL 34639 (813) 948-2854
<b>Store # 006</b> <b>Thomas P. McHale, et. al. - Jigg's Inc</b> <i>Partners in this store also have ownership in store# 227, 072, 050, 004, 001</i> 15784 No. Dale Mabry Hwy. Tampa, FL 33618 (813) 969-4647	<b>Store # 015</b> Edgar Stewart - Cool Wings 1, Inc 1316 S. Babcock Street Melbourne, FL 32901 (321) 951-2333
	<b>Store # 017</b> <b>Gilbert Randall, et. al. - GK Holding, Inc</b> <i>GK Holding, Inc also owns store# 128</i> <i>Partners in this store also have ownership in store# 537</i> 2940 U.S. 27 No. Sebring, FL 33870 (863) 471-2214

# Exhibit B

## Names, Addresses and Telephone number of our current franchisees as of Wednesday, March 28, 2012

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<b>Store # 018</b> <b>Ron Wahl, et. al. - 2PM, LLC.</b> <i>2PM, LLC. also owns store# 278</i> <i>Partners in this store also have ownership in store# 032</i> 1800 Thomasville Rd Tallahassee, FL 32303 (850) 222-2157	<b>Store # 026</b> Karen Norton, et. al. - Norton Family Group, Inc. 3781 L So. Nova Rd. Pt. Orange, FL 32129 (386) 304-4800
<b>Store # 020</b> <b>Gregg Giles, et. al. - Wings R Us, Inc.</b> <i>Partners in this store also have ownership in store# 184</i> 1966 State Road 44 New Smyrna Beach, FL 32168 (386) 424-9292	<b>Store # 027</b> <b>Home Office - Riverview Beef's, LLC</b> <i>Partners in this store also have ownership in store# 264, 073</i> 9622 U.S. 301 S. Riverview, FL 33569 (813) 672-9464
<b>Store # 021</b> Dennis Edmonds, et. al. - Intrology, LLC. 812 W. Martin Luther King Blvd. Seffner, FL 33584 (813) 661-7343	<b>Store # 028</b> <b>John Massaro - Wing Jam Inc</b> <i>Partners in this store also have ownership in store# 200, 060, 059</i> 10799 Park Blvd. Seminole, FL 33772 (727) 393-2880
<b>Store # 022</b> <b>Bill Bosko, et. al. - Bosko Family Ent. II</b> <i>Partners in this store also have ownership in store# 144, 136, 029, 005</i> 1070 Wedgewood Estates Blvd. Lakeland, FL 33809 (863) 853-9464	<b>Store # 029</b> <b>Don Bosko, et. al. - Don &amp; Bill Sports Pub, Inc.</b> <i>Partners in this store also have ownership in store# 144, 136, 022, 005</i> 1999 N.W. 43rd Street Gainesville, FL 32605 (352) 338-7771
<b>Store # 023</b> Andre Robillard, et. al. - Megladeet, Inc. 1825 Tamiami Trail Port Charlotte, FL 33948 (941) 766-9886	<b>Store # 031</b> <b>Doug Wolfe, et. al. - Wolfe Six-Pac Sports, Inc.</b> <i>Partners in this store also have ownership in store# 473</i> 13180 Cortez Blvd. Brooksville, FL 34613 (352) 592-6700
<b>Store # 024</b> <b>Brian Hession - H &amp; S Wings, Inc.</b> <i>Partners in this store also have ownership in store# 129, 102, 014</i> 8717-6 Little Road New Port Richey, FL 34654 (727) 842-4757	<b>Store # 032</b> <b>Jamie Langley - JTJL GIFF 2, LLC.</b> <i>Partners in this store also have ownership in store# 278, 018</i> 2910 Kerry Forest Parkway, #A-7 Tallahassee, FL 32308 (850) 668-8580
<b>Store # 025</b> <b>Richard Parrish, et. al. - Eagle R&amp;R, Inc.</b> <i>Eagle R&amp;R, Inc. also owns store# 350, 348, 156, 011</i> 27405 U.S. Hwy. 27, Suite 109 Leesburg, FL 34748 (352) 728-3233	<b>Store # 041</b> <b>Aiden Reddin, et. al. - M&amp;A Property MGMT. of Brevard, Inc.</b> <i>Partners in this store also have ownership in store# 512, 212, 211, 105</i> 5410 Murrell Rd., Suite 101 Viera, FL 32955 (321) 633-4030

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# Exhibit B

## Names, Addresses and Telephone number of our current franchisees as of Wednesday, March 28, 2012

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<p>Store # 044 Don Jones - Double D Family Sports, LLC. 1817 E. Broadway, Bldg. 6 Oviedo, FL 32765 (407) 366-2333</p>	<p>Store # 059 <b>John Massaro, et. al. - Forest Hills Wings Inc.</b> <i>Partners in this store also have ownership in store# 200, 060, 028</i> 8810 N. Himes Ave Tampa, FL 33614 (813) 936-2058</p>
<p><b>Store # 046</b> <b>John Martinez, et. al. - Naples Beef's Two, Inc.</b> <i>Partners in this store also have ownership in store# 407, 341, 177, 161, 084</i> 7385 Radio Road #101 Naples, FL 34104 (239) 348-2100</p>	<p><b>Store # 060</b> <b>John Massaro - Crystal River Wings, Inc.</b> <i>Partners in this store also have ownership in store# 200, 059, 028</i> 6738 W. Gulf to Lake Hwy. Crystal River, FL 34429 (352) 564-0544</p>
<p><b>Store # 049</b> <b>Gary Bailey, et. al. - TOGA Food and Sports</b> <i>Partners in this store also have ownership in store# 180, 129</i> 27315 State Road 54 W Wesley Chapel, FL 33543 (813) 994-1511</p>	<p><b>Store # 061</b> <b>Duncan Owens, et. al. - O &amp; M Family Pub Inc.</b> <i>Partners in this store also have ownership in store# 126</i> 102 W. Polk Street Auburndale, FL 33823 (863) 968-0010</p>
<p><b>Store # 050</b> <b>Jeanette Mellody, et. al. - Beef O Bradys Fishhawk, Inc</b> <i>Partners in this store also have ownership in store# 072, 006, 004, 001</i> 16773-16775 Fishhawk Blvd. Lithia, FL 33547 (813) 651-0388</p>	<p><b>Store # 064</b> <b>Jay Porter, et. al. - Jadonco, Inc.</b> <i>Jadonco, Inc. also owns store# 293</i> 2509 S. Ferdon Blvd. Crestview, FL 32536 (850) 682-9588</p>
<p>Store # 051 Mike Nelson, et. al. - MBJ&amp;J, Inc 857 SW Main Blvd. Ste #100 Lake City, FL 32025 (386) 754-6860</p>	<p><b>Store # 067</b> <b>Richard Macri, et. al. - Lakewood Ranch Beef 'O' Brady's, In</b> <i>Partners in this store also have ownership in store# 415</i> 1795 Lakewood Ranch Blvd. Bradenton, FL 34202 (941) 744-1155</p>
<p>Store # 052 Dan McCann, et. al. - Kanapaha Pub, LLC 6500 S.W. Archer Road Gainesville, FL 32608 (352) 271-8085</p>	<p>Store # 070 Karl Evertz - Stananoll, Inc 6907 N. 9th Ave. Pensacola, FL 32504 (850) 475-0400</p>
<p>Store # 055 Tom Vafiadis - A Million Island, Inc. 1916 S. 14th St. Fernandina Beach, FL 32034 (904) 261-0555</p>	<p>Store # 071 John Earl, et. al. - Earl Enterprises, Inc 2926 13th St. St. Cloud, FL 34769 (407) 891-1900</p>

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# Exhibit B

## Names, Addresses and Telephone number of our current franchisees as of Wednesday, March 28, 2012

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<b>Store # 072</b> <b>Jim Hagan, et. al. - Wing King III, Inc.</b> <i>Partners in this store also have ownership in store# 517, 429, 160, 129, 116, 102, 100, 050, 014, 006, 004, 001</i> 2301 State Road 524, #170-175 Cocoa, FL 32922 (321) 637-1133	Store # 097 Bob Farrell, et. al. - RBR Restaurants, Inc 8720 SE 165 Mulberry Ln. The Villages, FL 32162 (352) 259-1536
<b>Store # 073</b> <b>Home Office, et. al. - Beef Power, LLC</b> <i>Partners in this store also have ownership in store# 264, 027, 003</i> 2561 E. State Road 60 Valrico, FL 33594 (813) 655-1055	<b>Store # 100</b> <b>Jim Hagan, et. al. - Wing King 4</b> <i>Partners in this store also have ownership in store# 537, 160, 129, 116, 072, 009, 003, 001</i> 3450 Bayside lakes Blvd. #101-102 Palm Bay West, FL 32909 (321) 953-4600
<b>Store # 075</b> <b>Greg Gay, et. al. - Playtime Entertainment, LLC</b> <i>Partners in this store also have ownership in store# 178</i> 19598 Highway 27 Lake Wales, FL 33853 (863) 679-1975	Store # 101 John Diamantas, et. al. - Beefy Gang, LLC 1450 N. Courtney Parkway, #36 Merritt Island, FL 32953 (321) 455-6665
Store # 081 Bobby Szatkowski - Wings Plus of Spring Hill, Inc. 9201 County Line Road Spring Hill South, FL 34608 (352) 684-2222	<b>Store # 102</b> <b>Chris Overbeck, et. al. - Lutz Beef's, Inc.</b> <i>Partners in this store also have ownership in store# 540, 517, 429, 129, 072, 024, 014</i> 18421 US Hwy 41 Lutz, FL 33549 (813) 909-2300
<b>Store # 084</b> <b>John Martinez, et. al. - Estero Wings, Inc.</b> <i>Partners in this store also have ownership in store# 407, 355, 341, 177, 161, 046</i> 20301 Grande Oaks Shoppes Blvd. #108 Estero, FL 33928 (239) 949-4423	<b>Store # 105</b> <b>Pat Perno, et. al. - AMP Property Management, Inc.</b> <i>Partners in this store also have ownership in store# 512, 212, 211, 041</i> 2310 South Hwy 77, Ste. #350 Lynn Haven, FL 32444 (850) 271-0064
Store # 091 Dan Richie, et. al. - Beef O' Brady's Sun City Center, Inc. 723 Cypress Village Blvd. Sun City Center, FL 33573 (813) 633-2333	Store # 113 David Mesko - Mads'-N-Chad's, Inc. 13750 West Colonial Drive #130 Winter Garden, FL 34787 (407) 654-5730
<b>Store # 095</b> <b>Glyn Love, et. al. - BGR Restaurants LLC</b> <i>BGR Restaurants LLC also owns store# 173</i> 4538 Hwy 20 East #10 Niceville, FL 32578 (850) 897-3964	<b>Store # 116</b> <b>Jim Hagan, et. al. - Wing King Six, Inc.</b> <i>Partners in this store also have ownership in store# 341, 160, 100, 072</i> 3030 Lake Washington Road Melbourne, FL 32935 (321) 751-3860

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# Exhibit B

## Names, Addresses and Telephone number of our current franchisees as of Wednesday, March 28, 2012

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<p>Store # 119 Ed Conlan - EC Enterprises Limited, Inc 1410 N. Rock Springs Rd. Apopka, FL 32712 (407) 880-6777</p>	<p><b>Store # 144</b> <b>Don Bosko, et. al. - J.D. &amp;Son's Inc.</b> <i>Partners in this store also have ownership in store# 136, 029, 022, 005</i> 120 E. Van Fleet Drive Bartow, FL 33830 (863) 534-3111</p>
<p><b>Store # 126</b> <b>Duncan Owens, et. al. - Four C's Family Sports Pubs, LLC</b> <i>Partners in this store also have ownership in store# 061</i> 45653 US Hwy 27 Davenport, FL 33897 (863) 420-3350</p>	<p>Store # 155 Jim Magnuson, et. al. - SMJ Restaurant Properties 1, Inc. 3180 S. John Young Parkway Kissimmee South, FL 34746 (407) 518-0050</p>
<p><b>Store # 128</b> <b>Gilbert Randall, et. al. - GK Holding, Inc</b> <i>GK Holding, Inc also owns store# 017</i> <i>Partners in this store also have ownership in store# 537</i> 110 Plaza Ave. Lake Placid, FL 33852 (863) 465-3519</p>	<p><b>Store # 156</b> <b>Richard Parrish, et. al. - Eagle R&amp;R, Inc.</b> <i>Eagle R&amp;R, Inc. also owns store# 350, 348, 025, 011</i> 3539 Wedgewood Lane The Villages, FL 32162 (352) 751-7169</p>
<p><b>Store # 129</b> <b>Steve Slowey, et. al. - Trinity Beefs, Inc.</b> <i>Partners in this store also have ownership in store# 540, 537, 517, 429, 180, 160, 102, 100, 072, 049, 024, 014, 009, 003, 001</i> 3216 Little Road New Port Richey, FL 34655 (727) 376-5550</p>	<p><b>Store # 160</b> <b>Jim Hagan, et. al. - 3 Squirrels, Inc.</b> <i>Partners in this store also have ownership in store# 537, 528, 129, 116, 100, 072, 009, 003, 001</i> 5675 N. Atlantic Ave. #122 Cocoa Beach, FL 32932 (321) 784-3834</p>
<p>Store # 131 Les Boyette, et. al. - Boyette Family Enterprises, Inc. 10920 Cross Creek Blvd. Tampa, FL 33647 (813) 982-9233</p>	<p><b>Store # 161</b> <b>John Martinez, et. al. - Winkler Beef's, Inc.</b> <i>Partners in this store also have ownership in store# 407, 355, 341, 177, 084, 046</i> 18911 S. Tamiami Trail #7 Ft. Myers (San Carlos), FL 33908 (239) 454-9464</p>
<p><b>Store # 136</b> <b>Chris Lewis, et. al. - Englewood Beef's, LLC.</b> <i>Partners in this store also have ownership in store# 511, 510, 475, 144, 029, 022, 005</i> 1951 S. McCall Road #700 Englewood, FL 34223 (941) 473-8776</p>	<p>Store # 165 Samer Jawad - SAMYJ, INC. 2960 W. SR 426 Oviedo, FL 32765 (407) 671-4334</p>
<p>Store # 137 Franc Urso - Bay Capital Management LLC 4775 34th Street South St. Petersburg, FL 33711 (727) 866-1086</p>	<p>Store # 169 T. J. Smith - Family Fun and Sports of Palatka, Inc. 201 N. 1st Street Palatka, FL 32177 (386) 325-2525</p>

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# Exhibit B

## Names, Addresses and Telephone number of our current franchisees as of Wednesday, March 28, 2012

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<b>Store # 173</b> <b>Glyn Love, et. al. - BGR Restaurants LLC</b> <i>BGR Restaurants LLC also owns store# 095</i> 9375 Emerald Coast Parkway #22 (US 98 W) Sandestin, FL 32550 (850) 837-9710	<b>Store # 212</b> <b>Keith Evans, et. al. - MPA Property Management</b> <i>Partners in this store also have ownership in store# 512, 211, 105, 041</i> 13800 Panama City Beach Pkwy, #110-111 Panama City Beach, FL 32407 (850) 249-1551
<b>Store # 177</b> <b>John Martinez, et. al. - MMEP Beef's of Lehigh, Inc.</b> <i>Partners in this store also have ownership in store# 407, 355, 341, 161, 084, 046</i> 3114 Lee Blvd. Lehigh Acres, FL 33971 (239) 369-0390	<b>Store # 227</b> <b>Thomas P. McHale, et. al. - Jiggs III, Inc.</b> <i>Partners in this store also have ownership in store# 006</i> 8568 Gunn Hwy. Odessa, FL 33556 (813) 920-6525
<b>Store # 178</b> <b>Greg Gay, et. al. - Haines City Sports Pub, LLC</b> <i>Partners in this store also have ownership in store# 075</i> 902 Old Polk City Rd. Haines City, FL 33844 (863) 419-4848	<b>Store # 230</b> <b>John A. Downey - Pandem Concepts, LLC</b> <i>Partners in this store also have ownership in store# 519</i> 1037 North Sumter Blvd North Port, FL 34287 (941) 426-3570
<b>Store # 180</b> <b>Gary Bailey, et. al. - WC Wings, Inc.</b> <i>Partners in this store also have ownership in store# 129, 049</i> 1660 Bruce B. Downs Blvd. Wesley Chapel, FL 33543 (813) 929-7744	<b>Store # 253</b> Brent Ginsburg - Beef-O-Brady's Of Cooper City 8655 Stirling Road Cooper City, FL 33328 (954) 689-4747
<b>Store # 184</b> <b>Gregg Giles, et. al. - CGS OF OKEECHOBEE, INC.</b> <i>Partners in this store also have ownership in store# 020</i> 608 S. Parrott Ave. Okeechobee, FL 34974 (863) 763-7300	<b>Store # 258</b> Mike Consolazio, et. al. - Beef's Buddies, Inc. 2825 Garden Street #9-12 Titusville, FL 32796 (321) 268-2929
<b>Store # 200</b> <b>Leonard Gonzalez, III, et. al. - Brooksville Wings, Inc.</b> <i>Partners in this store also have ownership in store# 060, 059, 028</i> 7601 Horse Lake Rd. Brooksville, FL 34601 (352) 797-9464	<b>Store # 264</b> <b>Fred Dumas, et. al. - Summerfield Beef's, LLC</b> <i>Partners in this store also have ownership in store# 073, 027</i> 13326 Lincoln Road Riverview, FL 33578 (813) 672-4411
<b>Store # 211</b> <b>Pat Perno, et. al. - Beefs Callaway, Inc.</b> <i>Partners in this store also have ownership in store# 512, 212, 105, 041</i> 842 N. Tyndall Parkway Callaway, FL 32404 (850) 215-3905	<b>Store # 272</b> <b>Dwayne Fisel, et. al. - Emerald Star Corporation</b> <i>Partners in this store also have ownership in store# 464</i> 1310 US Hwy 331 South, Unit D DeFuniak Springs, FL 32435 (850) 951-9877

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# Exhibit B

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<b>Store # 278</b> <b>Ron Wahl, et. al. - 2PM, LLC.</b> <i>2PM, LLC. also owns store# 018</i> <i>Partners in this store also have ownership in store# 032</i> 1208 Capital Circle SE Tallahassee, FL 32301 (850) 504-2333	<b>Store # 347</b> John Volz, et. al. - Market Holdings of Feather Sound, LLC. 2325 Ulmerton Road #3 Clearwater, FL 33762 (727) 299-9464
<b>Store # 283</b> <b>Warren Frye, et. al. - BOB 2, INC.</b> <i>Partners in this store also have ownership in store# 284</i> 2481 Del Prado Blvd N. Cape Coral, FL 33909 (239) 573-6172	<b>Store # 348</b> <b>Richard Parrish, et. al. - Eagle R&amp;R, Inc.</b> <i>Eagle R&amp;R, Inc. also owns store# 350, 156, 025, 011</i> 840 S. Main Street Wildwood, FL 34785 (352) 689-0048
<b>Store # 284</b> <b>Kerry Frye, et. al. - BOB 1, Inc.</b> <i>Partners in this store also have ownership in store# 283</i> 3015 Pine Island Rd. SW, #101 Cape Coral, FL 33991 (239) 283-9995	<b>Store # 350</b> <b>Richard Parrish, et. al. - Eagle R&amp;R, Inc.</b> <i>Eagle R&amp;R, Inc. also owns store# 348, 156, 025, 011</i> 353 Colony Blvd, Suite 100 The Villages, FL 32162 (352) 750-5975
<b>Store # 289</b> <b>Gary Long, et. al. - Family Fun of Bushnell, LLC</b> <i>Partners in this store also have ownership in store# 290</i> 2586 W CR 48 Bushnell, FL 33513 (352) 568-7000	<b>Store # 352</b> John Daughtery, et. al. - Pace -- TBD 4275 Woodbine Road Pace, FL 32571 (850) 994-2723
<b>Store # 290</b> <b>Gary Long, et. al. - Family Fun and Sports of Marianna, LLC.</b> <i>Partners in this store also have ownership in store# 289</i> 4944 Malloy Plaza East, Suite A Marianna, FL 32448 (850) 482-0002	<b>Store # 355</b> <b>Peter Ennis, et. al. - Fiddle Beef's, Inc.</b> <i>Partners in this store also have ownership in store# 407, 177, 161, 084</i> 13650 Fiddlesticks Blvd. Ft. Myers, FL 33912 (239) 768-9798
<b>Store # 293</b> <b>Jay Porter, et. al. - Jadonco, Inc.</b> <i>Jadonco, Inc. also owns store# 064</i> 2101 W. Nine Mile Road Pensacola, FL 32534 (850) 332-5040	<b>Store # 356</b> <b>Lou DeLeo, et. al. - M&amp;D Sports Pub, Inc</b> <i>Partners in this store also have ownership in store# 008</i> 1703 E. Oak Street Arcadia, FL 34266 (863) 494-9333
<b>Store # 341</b> <b>Chris Webber, et. al. - Wing King VII</b> <i>Partners in this store also have ownership in store# 528, 407, 177, 161, 116, 084, 046, 009</i> 724 S. Patrick Drive Satellite Beach, FL 32937 (321) 777-7107	<b>Store # 360</b> Tamara Berry - Berry & Berry Wings, LLC. 1231 Highway 41 N. Inverness, FL 34450 (352) 344-9464

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# Exhibit B

## Names, Addresses and Telephone number of our current franchisees as of Wednesday, March 28, 2012

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Store # 373 Todd Batchelor - Batchelor Enterprises II, Inc. 14136 7th St. Dade City, FL 33525 (352) 567-4136	<b>Store # 444</b> <b>Bruce Fair, et. al. - H.A.M. Beef's, LLC.</b> <i>Partners in this store also have ownership in store# 377</i> 11841 Palm Beach Blvd. Ft. Myers, FL 33905 (239) 267-9236
<b>Store # 377</b> <b>Sidney Pittman, et. al. - P.G. Beef's, LLC.</b> <i>Partners in this store also have ownership in store# 444</i> 1105 Taylor Street Unit I Punta Gorda, FL 33950 (941) 505-2333	<b>Store # 463</b> Curt West, et. al. - Curt West 31120 Cortez Blvd. Brooksville, FL 34602 (352) 345-4819
<b>Store # 400</b> <b>Kersten Maxson, et. al. - Hayley Hospitality Corporation</b> <i>Partners in this store also have ownership in store# 477</i> 892 West Sugarland Hwy Clewiston, FL 33440 (863) 983-5002	<b>Store # 465</b> Tom Williamson - ARAMARK Educational Services, LLC. 4202 E. Fowler Ave. - Marshall Center Tampa, FL 33620 (813) 974-8735
<b>Store # 407</b> <b>John Martinez, et. al. - Naples East Beef's, Inc.</b> <i>Partners in this store also have ownership in store# 355, 341, 177, 161, 084, 046</i> 3883 Tamiami Trail East Naples, FL 34112 (239) 417-0012	<b>Store # 473</b> <b>Doug Wolfe, et. al. - D&amp;L Wings, Inc.</b> <i>Partners in this store also have ownership in store# 031</i> 14387 Spring Hill Dr., Suite 400 Spring Hill, FL 34609 (352) 666-4066
<b>Store # 415</b> <b>Richard Macri, et. al. - Beef 'O' Brady's Parrish, Inc.</b> <i>Partners in this store also have ownership in store# 067</i> 8913 US 301 North Parrish, FL 34219 (941) 776-0053	<b>Store # 475</b> <b>Chris Lewis - CCMCF&amp;B, LLC.</b> <i>Partners in this store also have ownership in store# 511, 510, 136</i> 9331 E. Adamo Dr. Tampa, FL 33619 (813) 621-7675
<b>Store # 429</b> <b>Steve Slowey, et. al. - Wilderness Beef's, Inc.</b> <i>Partners in this store also have ownership in store# 517, 129, 102, 072, 014</i> 7040 Land O Lakes Blvd. #108 Land O'Lakes, FL 34637 (813) 388-6893	<b>Store # 477</b> <b>Kersten Maxson, et. al. - Hendry Hospitality Corporation</b> <i>Partners in this store also have ownership in store# 400</i> 197 Hickpochee Ave LaBelle, FL 33935 (863) 612-9818
<b>Store # 430</b> Art Klawitter, et. al. - G&R WINGS AND THINGS, LLC. 3434 E. Silver Springs Blvd Ocala, FL 34470 (352) 304-5333	<b>Store # 488</b> Ben Hoofnagle, et. al. - Hoofs Pub, LLC. 12789 Waterford Lakes Pkwy Unit 14 Orlando, FL 32828 (407) 781-0400
	<b>Store # 490</b> H. Dole Slayton, et. al. - Slayton Family BOB, LLC. 10 Preston Circle, Suite A Crawfordville, FL 32327 (850) 926-4350

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Store # 491 Keith Overton - Fortune Hotels, Inc. 5600 Gulf Blvd. St. Pete Beach, FL 33706 (727) 363-3063	<b>Store # 517</b> <b>Matt Connor, et. al. - Suncoast Beef's, Inc.</b> <i>Partners in this store also have ownership in store# 429, 129, 102, 072, 014</i> 18835 SR 54 Lutz, FL 33558 (813) 428-6928
Store # 496 Butch Dlouhy, et. al. - D & R Sports Pub, LLC. 11100 SW 93rd Court Road, Suite 12 Ocala West, FL 34481 (352) 402-0003	<b>Store # 519</b> <b>John A. Downey - John A. Downey</b> <i>Partners in this store also have ownership in store# 230</i> 1100 Tarpon Woods Blvd. Palm Harbor, FL 34685 (727) 771-0691
Store # 500 Chris Lewis, et. al. - Sarasota Beefs LLC. 3578 Clark Road Sarasota , FL 34231 (941) 343-2659	Store # 524 Robert Kennedy, et. al. - Robert and Teresa Kennedy 1642 East Hwy 50 Clermont, FL 34711 (352) 242-9700
Store # 507 Tracy Goodson, et. al. - Goodcoop, LLC. 4469 Mobile Hwy Pensacola, FL 32506 (850) 607-6776	<b>Store # 528</b> <b>David Beaudry, et. al. - Ducks &amp; Gators, LLC.</b> <i>Partners in this store also have ownership in store# 341, 160</i> 4711 Babcock Street #7 Palm Bay, FL 32905 (321) 724-9462
<b>Store # 510</b> <b>Chris Lewis - Gator Beef's, LLC.</b> <i>Partners in this store also have ownership in store# 511, 475, 136</i> 1250 W. University Ave. Gainesville, FL 32601 (352) 338-9288	<b>Store # 537</b> <b>Aaron Carricato, et. al. - South Tampa Beef's, Inc.</b> <i>Partners in this store also have ownership in store# 160, 129, 128, 100, 017, 009, 003, 001</i> 4516 South Dale Mabry Hwy Tampa, FL 33611 (813) 837-5200
<b>Store # 511</b> <b>Chris Lewis - Deltona Beef's, LLC.</b> <i>Partners in this store also have ownership in store# 510, 475, 136</i> 2160 Howland Blvd. #104 Deltona, FL 32738 (386) 789-9464	<b>Store # 540</b> <b>Chris Overbeck, et. al. - Beef 'O' Bradys Hudson, Inc</b> <i>Partners in this store also have ownership in store# 129, 102</i> 14851 SR 52 Suite B108 Hudson, FL 34669 (727) 379-9464
<b>Store # 512</b> <b>Richard Harlin, et. al. - Cocoa Beach Beef's, Inc.</b> <i>Partners in this store also have ownership in store# 212, 211, 105, 041</i> 782 US Highway 1 Vero Beach, FL 32962 (772) 569-3336	Store # 543 Roberto Lima, et. al. - BOVALI, INC. 13847-C Walsingham Rd Largo, FL 33774 (727) 501-9464

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Store # 549 Beef 'O' Brady's Temple Terrace, LLC 9311 N 56th Street Temple Terrace , FL 33617 (813) 985-7271	Store # 432 Reed Parker, et. al. - Parker Sports Enterprises, LLC. 76 Seven Hills Blvd. #105 Dallas, GA 30132 (770) 975-1840
<b>Georgia</b>	Store # 433 Zach Qualmann - Athens Qbob, LLC. 1860 Barnett Shoals Road, # 101 Athens, GA 30605 (706) 850-1916
Store # 056 Sonny Ishmael - Sonny Ishmael 100 Peachtree Pkwy N., Ste. 18 Peachtree City, GA 30269 (770) 486-1860	<b>Store # 498</b> <b>Ron Wood, et. al. - RYUUltra, Inc.</b> <i>Partners in this store also have ownership in store# 416, 062</i> 1 N. Main Street, Suite 103 Moultrie, GA 31768 (229) 668-9464
<b>Store # 062</b> <b>Yvonne Wood, et. al. - WCULTRA, INC.</b> <i>WCULTRA, INC. also owns store# 416</i> <i>Partners in this store also have ownership in store# 498</i> 1508 E. Jackson St. Thomasville, GA 31792 (229) 551-9464	<b>Idaho</b>
Store # 086 David Graham - Beef's of Cumming, Inc. 2619 Freedom Parkway Cumming, GA 30041 (770) 781-8803	Store # 536 Jim Wood - Jim Wood 1505 South Eagle Road Suite 190 Meridian, ID 83642 (208) 888-6228
Store # 146 Eric Hull, et. al. - Ace Pursuits, Inc. 461 Johnny Mercer Blvd. #11 Savannah, GA 31410 (912) 897-8277	<b>Illinois</b>
Store # 353 Steve Perry, et. al. - Bulldog Beef's, Inc. 1679 Old Pendergrass Road Jefferson, GA 30549 (706) 367-4835	Store # 277 Maria Verkler - Cat-Mar Foods, Inc. 547 Main street N.W. Bourbonnais, IL 60914 (815) 929-9800
<b>Store # 416</b> <b>Yvonne Wood, et. al. - WCULTRA, INC.</b> <i>WCULTRA, INC. also owns store# 062</i> <i>Partners in this store also have ownership in store# 498</i> 1408 N Tallahassee Hwy, Suite J Bainbridge, GA 39819 (229) 246-8488	<b>Indiana</b>
	<b>Store # 236</b> <b>Thad Holton, et. al. - TBS of Indiana, Inc.</b> <i>Partners in this store also have ownership in store# 450</i> 105 LaFollette Station Floyds Knobs, IN 47119 (812) 923-1316
	Store # 300 Tony Lafata, et. al. - Sports Plus of Terre Haute, LLC. 2309 S. 3rd Street Terre Haute, IN 47802 (812) 238-2333

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Store # 317 Dave Risner, et. al. - Granger Pubs, Inc. 12479 State Road 23 Granger, IN 46530 (574) 271-1415	Store # 065 Tom Shreve, et. al. - Tom and Dana Shreve 5628 Bardstown Road Louisville, KY 40291 (502) 239-2226
Store # 380 Greg Briles, et. al. - Grillox One, LLC. 2862 Miller Drive Plymouth, IN 46563 (574) 936-2226	Store # 252 Brian Comstock, et. al. - Zinger, LLC. 1220 Market Street LaGrange, KY 40031 (502) 225-5871
Store # 439 Dave Van Baalen, et. al. - JOEY P, INC. 911 W Main St. Peru, IN 46970 (765) 472-3900	<b>Store # 296</b> <b>Charles Harvey, et. al. - Double Dribble, Inc.</b> <i>Partners in this store also have ownership in store# 527</i> 1597 Cavalry Drive Union, KY 41091 (859) 384-9464
<b>Store # 450</b> <b>Scott Alford, et. al. - SCAD Enterprises, Inc.</b> <i>Partners in this store also have ownership in store# 236</i> 2402 Landmark Way NE Corydon, IN 47112 (812) 734-3200	Store # 335 Stacy Bratcher, et. al. - Barry & Stacy Bratcher 3189 Fairview Drive, Suite E Owensboro, KY 42303 (270) 685-4969
Store # 458 John Davania, et. al. - John DaVania and Kelly Boyer 1450 Veterans Pkwy Jeffersonville, IN 47130 (812) 285-9464	<b>Store # 344</b> <b>Rick Totten, et. al. - T&amp;T Restaurants, Inc</b> <i>T&amp;T Restaurants, Inc also owns store# 406</i> 5501 Valley Station Road Louisville, KY 40272 (502) 933-5919
Store # 474 John Greenwell, et. al. - Greenwell Family Sports and Wings, LLC. 8177 Bell Oaks Dr. Suite A Newburgh, IN 47630 (812) 490-9464	Store # 402 Tim Hayslett - Hayslett Community Enterprises, LLC. 111 Westridge Drive Suite A Frankfort, KY 40601 (502) 226-3666
<b>Iowa</b>	
Store # 441 Carol Overbeck, et. al. - CR Beef's, Inc. 5240 Edgewood Rd. NE Cedar Rapids, IA 52411 (319) 294-4992	<b>Store # 406</b> <b>Rick Totten, et. al. - T&amp;T Restaurants, Inc</b> <i>T&amp;T Restaurants, Inc also owns store# 344</i> 11324 Preston Highway Louisville, KY 40229 (502) 966-8515
<b>Kentucky</b>	
Store # 058 Rich Cleaves - Beef O Blue - Middletown, LLC 241 Blankenbaker Parkway Louisville, KY 40243 (502) 254-2322	

# Exhibit B

## Names, Addresses and Telephone number of our current franchisees as of Wednesday, March 28, 2012

---

Store # 442  
Rodney Maiden, et. al. - Rodney B. Maiden and Robert D. Cecil,  
LLC.  
2413 Ring Road  
Elizabethtown, KY 42701  
(270) 982-2333

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Store # 470  
Tom Drennen, et. al. - Kangaroo Foods, LLC.  
1723 Monmouth Street  
Newport, KY 41071  
(859) 581-4900

---

Store # 492  
Jon Kohler, et. al. - Peako Unlimited, LLC.  
1637 Midland Trail  
Shelbyville, KY 40065  
(502) 633-4220

---

**Store # 527**  
**David Nelson, et. al. - Double Dribble II, Inc.**  
*Partners in this store also have ownership in store# 296*  
1990 North Bend Rd.  
Hebron, KY 41048  
(859) 586-5000

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### Louisiana

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Store # 418  
Elaine King, et. al. - ESK Enterprises, LLC  
5803 Coliseum Blvd. Suite A5  
Alexandria, LA 71303  
(318) 442-4233

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### Maine

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Store # 493  
David Kennedy, et. al. - Abby Corp.  
688 Wilson Street  
Brewer, ME 04412  
(207) 989-3222

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### Maryland

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Store # 286  
Diane Wadhwa, et. al. - Daryl Corporation  
6956 Crestwood Blvd  
Frederick, MD 21703  
(301) 682-9464

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### Michigan

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Store # 115  
Adam Berthiaume - BW O'Brady's, Inc  
4880 Gratiot Road, Bldg A, Ste #5-7  
Saginaw, MI 48638  
(989) 249-0800

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### Minnesota

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Store # 469  
Matthew Zeece, et. al. - Z-BROS, INC.  
15190 Bluebird Street #114  
Andover, MN 55304  
(763) 434-2700

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Store # 514  
Todd Taylor - TMC&J Taylor Corporation  
254 West Broadway  
Monticello, MN 55362  
(763) 295-2952

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### Mississippi

---

**Store # 104**  
**Bob Thunelius, et. al. - Thunelius, Inc.**  
*Partners in this store also have ownership in store# 305*  
3680-L Sangani Blvd.  
D'Iberville, MS 39540  
(228) 392-4496

---

Store # 520  
Jason Carr, et. al. - Family First, Inc.  
1161 Bonita Lakes Circle  
Meridian, MS 39301  
(601) 453-5550

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### Missouri

---

Store # 440  
Lee Hillman, et. al. - Hill-Mac, Inc.  
1812 Carondelet Ave, Suite 101  
Cape Girardeau, MO 63701  
(573) 335-3555

---

### North Carolina

---

Store # 099  
Bill Hilson, et. al. - Southwings, LLC  
825 Spartanburg Hwy #12  
Hendersonville, NC 28792  
(828) 694-1110

---

# Exhibit B

## Names, Addresses and Telephone number of our current franchisees as of Wednesday, March 28, 2012

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Store # 157  
Joe Smiley, et. al. - Arrowhead I LLC  
2625 Hendersonville Rd.  
Arden, NC 28704  
(828) 684-2295

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**Store # 279**  
**Moe Licardo, et. al. - 7by34, LLC.**  
*Partners in this store also have ownership in store# 280*  
5540 Camden Road  
Fayetteville, NC 28306  
(910) 860-8000

---

**Store # 280**  
**Moe Licardo, et. al. - D'Beef's, LLC.**  
*Partners in this store also have ownership in store# 279*  
229 Hay Street Suite A  
Fayetteville, NC 28301  
(910) 423-1222

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Store # 423  
Mark Lewis, et. al. - FATBELLIE'S, LLC.  
276 Watauga Village Dr. #G  
Boone, NC 28607  
(828) 265-8585

### Ohio

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Store # 148  
John Hughes - Jozabe Investments, Inc.  
953 S. Main Street  
Centerville, OH 45458  
(937) 433-9400

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Store # 247  
Joey Piediscalzo, et. al. - Barefoot Group, Inc.  
6340 Scioto-Darby Creek  
Hilliard, OH 43026  
(614) 529-9464

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Store # 327  
Bill DeFries - Beefs Two, LLC.  
3347 SeaJay Drive  
Beavercreek, OH 45430  
(937) 431-9050

---

**Store # 408**  
**David Heffelman, et. al. - Right & Tight, LLC.**  
*Partners in this store also have ownership in store# 533, 451*  
3975 Cascades Blvd.  
Brimfield, OH 44240  
(330) 678-4800

---

**Store # 451**  
**David Heffelman, et. al. - On The Fly, LLC.**  
*Partners in this store also have ownership in store# 533, 408*  
1090 Williams Reserve Blvd. #300  
Wadsworth, OH 44281-9344  
(330) 336-3600

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**Store # 533**  
**David Heffelman, et. al. - Beef's Sports, LLC.**  
*Partners in this store also have ownership in store# 451, 408*  
3732 Darrow Road #4  
Stow, OH 44224  
(330) 688-8200

### South Carolina

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Store # 108  
Michael Hunt - Cassiopeia Ltd.  
940 Market St. Suite 110  
Ft. Mill, SC 29708  
(803) 548-7878

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Store # 120  
Mark Wickham, et. al. - 6 M's LLC  
4561 Hard Scrabble Road  
Columbia, SC 29229  
(803) 699-2525

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Store # 121  
Raymond Lavigne, et. al. - L&L Beef's LLC  
2742 North Lake Drive #104  
Columbia, SC 29212  
(803) 781-5656

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Store # 123  
Robert Chrushch, et. al. - Carolina Beef's, LLC.  
3689 Renee Drive  
Myrtle Beach, SC 29579  
(843) 236-7761

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Store # 447  
Bill Lanham, et. al. - Beef's of Clemson, LLC.  
101 Canoy Lane, Ste. A  
Clemson, SC 29631  
(864) 654-5151

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Store # 453  
Cindi Welsh, et. al. - CVR Family Wings, LLC.  
1133 N. Fraser Street  
Georgetown, SC 29440  
(843) 546-9864

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# Exhibit B

## Names, Addresses and Telephone number of our current franchisees as of Wednesday, March 28, 2012

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### Tennessee

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**Store # 412****Tim Broome, et. al. - Sweeps, Inc.***Partners in this store also have ownership in store# 521*

2913 Boones Creek Road  
Gray, TN 37615  
(423) 282-9464

**Store # 446****Taylor Cochran, et. al. - 3 GEN, INC.**

5958 Snow Hill Rd., Suite #100  
Ooltewah, TN 37363  
(423) 910-0261

**Store # 521****Tim Broome, et. al. - SWEEPS, INC.***Partners in this store also have ownership in store# 412*

173 Hudson Dr.  
Elizabethton, TN 37643  
(423) 543-3399

**Store # 539****Tim Way, et. al. - Hoppertime, LLC.**

300 Clinchfield St Suite 180  
Kingsport, TN 37660  
(423) 245-2333

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### Texas

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**Store # 147****Pam Carlton, et. al. - Irish Sports Pub, Inc***Partners in this store also have ownership in store# 518*

8245 Precinct Line Road, #230  
North Richland Hills, TX 76180  
(817) 577-4040

**Store # 313****David Smith, et. al. - McFarland West Family Concepts, LLC***Partners in this store also have ownership in store# 435*

7306 W 34th Ave  
Amarillo, TX 79121  
(806) 358-0997

**Store # 417****Stephanie Parkin, et. al. - Parkin Sports Projects, LLC**

6200 W. Broadway Street, Suite 102  
Pearland, TX 77581  
(281) 485-8877

**Store # 435****David Smith, et. al. - E&C Restaurant Concepts, LLC.***Partners in this store also have ownership in store# 313*

5510 4th Street Unit 280  
Lubbock, TX 79416  
(806) 792-3337

**Store # 489****Manuel Rangel, et. al. - MIM Logistics, LLC.**

3457 Old Hwy 77, #100  
Brownsville, TX 78520  
(956) 986-2333

**Store # 518****Pam Carlton - Pamela K. Carlton***Partners in this store also have ownership in store# 147*

1507 N. Watson  
Arlington, TX 76006  
(817) 640-7712

**Store # 534****Jason Chavez - JCBB Restaurants, LLC.**

145 Oyster Creek Dr., Suite #2  
Lake Jackson, TX 77566  
(979) 285-9580

**Store # 538****Jose Quintanilla, et. al. - J.A.Q.C. Enterprises, LLC.**

8910 Bandera Road #305  
San Antonio, TX 78250  
(210) 681-7288

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### Virginia

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**Store # 255****Mike Inscoe, et. al. - CCMT1, LLC**

309 Oyster Point Road  
Newport News, VA 23602  
(757) 249-9464

# Exhibit C

## Franchisees of Stores that have Closed for Period Saturday, January 1, 2011 to Saturday, December 31, 2011

---

### Colorado

---

Stevens Enterprises, LLC.  
Tim Stevens  
Littleton CO  
(813) 966-8419 Mobile  
tim7sus@yahoo.com

Belle - Freeman Properties, LLC.  
Lon VonKohn  
Lawrenceville GA  
(770) 682-1205 Home  
lvonkohn@bellsouth.net

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### Florida

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Alachua Family Sports, LLC.  
Dan McCann  
Alachua FL  
(352) 336-3354 Home  
DJMC3188@msn.com

McKie and Associates, LLC.  
Brian McKie  
Leesburg GA  
(229) 344-1795 Mobile  
bmckie@mac.com

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Richard - James & Associates, Inc.  
Tom Durfee  
Bradenton FL  
(813) 677-6630 Home  
durfeetj@aol.com

Family Entertainment & Sports, Inc.  
Tony Richards  
Valdosta GA  
(229) 253-8547 Home  
tony.richards@mchsi.com

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KL&M Family Sports Pubs, Inc  
Patrick Goneau  
Bradenton FL  
(813) 920-0940 Home

---

### Kentucky

---

Thomas O'Brien  
Tom O'Brien  
Lexington KY  
(859) 223-7576 Home  
tomob@qx.net

---

Beef's All Stars, LLC.  
Kenny Mixon  
Davie FL  
(954) 476-9137 Home  
kmix79@aol.com

---

### Maryland

---

Watters Family Enterprise, Inc.  
Linda Watters  
Hagerstown MD  
(301) 797-0668 Home  
wfe@myactv.net

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MAS Investors, LLC  
Maverick Montgomery  
Orlando FL  
(407) 438-9822 Home  
beefobradysinc@bellsouth.net

---

### Minnesota

---

Dreme Jamen, LLC.  
Kenneth Adams  
Northfield MN  
(763) 512-5671 Home  
jadams@idline.com

---

Westchase Wings, Inc.  
John Massaro  
Tampa FL  
(813) 960-0840 Home  
liljohnny1031@yahoo.com

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### Mississippi

---

Thunelius, Inc.  
Bob Thunelius  
Gulfport MS  
(228) 354-9226 Home  
bthunelius@bellsouth.net

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### Georgia

---

CK Taylors Inc.  
Chris Taylor  
Canton GA  
(770) 345-9882 Home  
ctaylor3boys@aol.com

---

### North Carolina

---

TRK2, Inc.  
Tim Kessler  
Winston-Salem NC  
(336) 924-9887 Home  
TimRKessler2@aol.com

---

# Exhibit C

## Franchisees of Stores that have Closed for Period Saturday, January 1, 2011 to Saturday, December 31, 2011

---

### Ohio

---

Allison Management, Incorporated  
Zachariah Meixner  
Broadview Heights OH  
(216) 789-9812 Mobile  
zmeixner@roadrunner.com

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### South Carolina

---

Thoroughbred O'Brady's, LLC.  
Kevin Williams  
Aiken SC  
(803) 641-0270 Home  
kpwcpcw@atlanticbb.net

---

How Mad, Inc  
Barry Howard  
Myrtle Beach SC  
(330) 484-2399 Home

---

Kleine Properties, LLC.  
Tom Kleine  
Summerville SC  
(843) 875-3455 Home  
tkleine@sc.rr.com

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If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. In some instances, current and former franchisees have signed provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

# Exhibit C

## Former Franchisees of Stores transferred to new owners for Period Saturday, January 1, 2011 to Saturday, December 31, 2011

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### Florida

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Apollo Beach Beef's LLC  
Home Office  
Apollo Beach FL  
(813) 226-2333 Business

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Beefs of Englewood  
Don Bosko  
Englewood FL  
(863) 619-7578 Home

---

German and Macri, LLC  
13650 Fiddlesticks Blvd  
Ft. Myers FL 33912  
813-685-3807

---

P&D Sports, Inc.  
Larry McKinney  
Punta Gorda FL  
(813) 671-8868 Home

---

### Ohio

---

DeFries Family Sports LLC  
Bill DeFries  
Centerville OH  
(937) 286-4624 Mobile

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**EXHIBIT “D” TO THE DISCLOSURE DOCUMENT**

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CONFIDENTIAL OPERATING MANUAL**

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**EXHIBIT “E” TO THE DISCLOSURE DOCUMENT**

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**TRAINING STORE WAIVER & RELEASE**

---



**FSC FRANCHISE CO., LLC**  
**BEEF 'O' BRADY'S® FAMILY SPORTS PUB**  
**TRAINING STORE**  
**WAIVER AND RELEASE**

I, \_\_\_\_\_, want to attend the initial training program and/or power shift offered by FSC Franchise Co., LLC (“**Family Sports**”) in order to be qualified to own, operate and/or manage a Beef ‘O’ Brady’s® Family Sports Pub (“**Family Sports Pub**”), pursuant to a franchise agreement between Family Sports and me, my employer, or a company with which I am affiliated. To induce Family Sports to allow me to attend the initial training program, I agree, attest and acknowledge the following:

1. During the initial training program, I will receive hands-on training at a Family Sports Pub and at other training facilities during which I will operate food service equipment and supplies and, therefore, there is a risk of injury and harm.
2. I understand and acknowledge that I am not an employee of Family Sports or its affiliates for any purpose whatsoever.
3. Since I am not an employee of Family Sports, I will not be entitled to any workers compensation coverage from Family Sports or any of its affiliates (although I may be entitled to such coverage from my own employer).
4. I waive any right to sue for damages or other relief, and release any claim I may have against Family Sports and/or any of its affiliates, agents, officers and directors, for any claims, losses, damages, liabilities or obligations that arise out of any injury I suffer during and as a result of my training with Family Sports.
5. My participation in the training program does not entitle me to a Family Sports Pub franchise. Franchises are granted only by separate agreement.

\_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

**STATE OF** \_\_\_\_\_ )  
**COUNTY OF** \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_, 20  
\_\_ by \_\_\_\_\_. He/she is personally known to me or has produced  
\_\_\_\_\_ as identification.

\_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
Serial Number of Notary

\_\_\_\_\_

**EXHIBIT “F” TO THE DISCLOSURE DOCUMENT**

---

**GULF DATA SYSTEMS, INC**  
**FORM OF**  
**AGREEMENT FOR PURCHASE**  
**AND**  
**MAINTENANCE AGREEMENT**

---



6627 State Road 54 ~ New Port Richey ~ FL ~ 34653

**AGREEMENT FOR PURCHASE**

**page 1 of 2**

Sold to: Beef 'O' Brady's

Three Station Focus POS System

March 1, 2010

<u>Equipment Description</u>	<u>Qty.</u>
Station Terminal-IBM 4852-526 POS Terminal 1 GHz CPU, 1GB RAM, 80GB HD, Ethernet, Windows XP pro, Integrated 15" LCD Touch Screen w/MSR	3
Office Computer-HP/Compaq Mini Tower PC, Dual Core 2.4 GHz CPU, 2 GB RAM, 160GB HD, CD Drive, Ethernet, Windows XP Professional Keyboard, Mouse, Microsoft Anti-Virus, Microsoft Office (Word & Excel)	1
Office Monitor-20" Wide LCD Flat Panel Display	1
Office Printer/FAX/Flatbed Copier-HP6500 all-in-one	1
EPSON TM-T88IV Thermal Guest Check Printer	3
EPSON TM-U220B 2-Color Dot Matrix Kitchen Printer	1
APC BE500 Surge Protector/Backup Battery	5
MMF Cash Drawer, GDS Ticket Cricket	1
FOCUS Software, Three Station with Back Office, Gift Card Module, Scheduling, Corp., High Speed Credit processing through Sterling	1
Programming, Installation & Training	INCLUDED

Customer must run & terminate all CAT5 cables to GDS Specs.

High Speed Internet must be installed, tested & operational before GDS arrives on site. GDS is NOT responsible for Internet hookup and operation.

---



6627 State Road 54 ~ New Port Richey ~ FL ~ 34653

**AGREEMENT FOR PURCHASE**

**page 2 of 2**

Sold to: Beef 'O' Brady's

Three Station System

March 1, 2010

\*Please note\* the above system pricing is based upon using high-speed credit card processing through Sterling. Sterling has negotiated with Beef's Home Office special credit card processing rates. If you select another processor other than Sterling or Mercury, a cost of 1614.00 will need to be added to your system price for additional hardware & software to accommodate this change.

One Year on-site Warranty on Hardware Included

---

**System Total excluding sales tax and freight** **\$ 17,131.00**

**DEPOSIT DUE TO PLACE ORDER** **50%**

**AMOUNT DUE THE DAY OF EQUIPMENT INSTALLATION** **50%**

THE CUSTOMER AGREES TO PURCHASE AND GULF DATA SYSTEMS, INC. (GDS) AGREES TO SELL THE EQUIPMENT DESCRIBED ABOVE IN ACCORDANCE WITH THE TERMS AND CONDITIONS SET FORTH ABOVE. THE CUSTOMER ACKNOWLEDGES THAT IT HAS READ THIS AGREEMENT, UNDERSTANDS IT AND AGREES TO ALL SUCH TERMS AND CONDITIONS. THIS AGREEMENT IS SUBJECT TO FINAL ACCEPTANCE BY GULF DATA SYSTEMS, INC.

Beef 'O' Brady's  
SYSTEMS, INC.

ACCEPTED BY GULF DATA

BY: \_\_\_\_\_ BY: \_\_\_\_\_

TITLE: \_\_\_\_\_ TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_ DATE: \_\_\_\_\_

**EXHIBIT “G” TO THE DISCLOSURE DOCUMENT**

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**LIST OF  
AREA REPRESENTATIVES**

---

**None**

During the fiscal year ending 2011, the following area representative's area representative agreement was mutually terminated:

Richard Cleaves  
Louisville, Kentucky  
(502) 254-2322

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

**EXHIBIT “H” TO THE DISCLOSURE DOCUMENT**

---

**LIST OF STATE AGENCIES/AGENTS  
FOR SERVICE OF PROCESS**

---

Our registered agent in the State of Florida is:

Michael G. Little  
Johnson Pope Bokor Ruppel & Burns LLP  
911 Chestnut Street  
Clearwater, Florida 33756

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
<b>CALIFORNIA</b>	DEPARTMENT OF CORPORATIONS: 320 WEST 4 <sup>TH</sup> STREET, SUITE 750 LOS ANGELES, CALIFORNIA 90013 (213) 576-7505 (866) 275-2677	CORPORATIONS COMMISSIONER 320 WEST 4 <sup>TH</sup> STREET, SUITE 750 LOS ANGELES, CALIFORNIA 90013 (213) 576-7505 (866) 275-2677
<b>HAWAII</b>	BUSINESS REGISTRATION DIVISION DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS KING KALAKAUA BUILDING 335 MERCHANT STREET, ROOM 203 HONOLULU, HAWAII 96813 (808) 586-2722	COMMISSIONER OF SECURITIES OF THE STATE OF HAWAII, DEPARTMENT OF COMMERCE & CONSUMER AFFAIRS BUSINESS REGISTRATION DIVISION SECURITIES COMPLIANCE BRANCH 335 MERCHANT STREET ROOM 203 HONOLULU, HAWAII 96813 (808) 586-2722
<b>ILLINOIS</b>	FRANCHISE BUREAU OFFICE OF THE ATTORNEY GENERAL 500 SOUTH SECOND STREET SPRINGFIELD, ILLINOIS 62706 (217) 782-4465	FRANCHISE BUREAU OFFICE OF THE ATTORNEY GENERAL 500 SOUTH SECOND STREET SPRINGFIELD, ILLINOIS 62706 (217) 782-4465
<b>INDIANA</b>	INDIANA SECRETARY OF STATE SECURITIES DIVISION, E-111 302 WEST WASHINGTON STREET, ROOM E-111 INDIANAPOLIS, INDIANA 46204 (317) 232-6681	INDIANA SECRETARY OF STATE 201 STATE HOUSE 200 WEST WASHINGTON STREET INDIANAPOLIS, INDIANA 46204 (317) 232-6531
<b>MARYLAND</b>	OFFICE OF THE ATTORNEY GENERAL SECURITIES DIVISION 200 ST. PAUL PLACE BALTIMORE, MARYLAND 21202-2021 (410) 576-6360	MARYLAND SECURITIES COMMISSIONER AT THE OFFICE OF THE ATTORNEY GENERAL SECURITIES DIVISION 200 ST. PAUL PLACE BALTIMORE, MARYLAND 21202-2021 (410) 576-6360
<b>MICHIGAN</b>	CONSUMER PROTECTION DIVISION, ANTITRUST AND FRANCHISING UNIT MICHIGAN DEPARTMENT OF ATTORNEY GENERAL 670 G. MENNEN WILLIAMS	MICHIGAN DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES CORPORATIONS AND SECURITIES BUREAU P.O. BOX 30054



<b>STATE</b>	<b>STATE ADMINISTRATOR</b>	<b>AGENT FOR SERVICE OF PROCESS</b>
	BUILDING 525 WEST OTTAWA LANSING, MICHIGAN 48933 (517) 373-7177	6546 MERCANTILE WAY LANSING, MICHIGAN 48909
<b>MINNESOTA</b>	MINNESOTA DEPARTMENT OF COMMERCE 85 7 <sup>TH</sup> PLACE EAST, SUITE 500 ST. PAUL, MINNESOTA 55101- 2198 (651) 296-4026	MINNESOTA DEPARTMENT OF COMMERCE 85 7 <sup>TH</sup> PLACE EAST, SUITE 500 ST. PAUL, MINNESOTA 55101-2198 (651) 296-4026
<b>NEW YORK</b>	NEW YORK STATE DEPARTMENT OF LAW BUREAU OF INVESTOR PROTECTION AND SECURITIES 120 BROADWAY, 23 <sup>RD</sup> FLOOR NEW YORK, NEW YORK 10271- 0332 (212) 416-8000	SECRETARY OF THE STATE OF NEW YORK 41 STATE STREET ALBANY, NEW YORK 12231 (518) 474-4750
<b>NORTH DAKOTA</b>	OFFICE OF THE SECURITIES COMMISSIONER FIFTH FLOOR 600 EAST BOULEVARD AVENUE STATE CAPITOL, FIFTH FLOOR, DEPARTMENT 414 BISMARCK, NORTH DAKOTA 58505 (701) 328-2910	OFFICE OF THE SECURITIES COMMISSIONER FIFTH FLOOR 600 EAST BOULEVARD, DEPARTMENT 414 BISMARCK, NORTH DAKOTA 58505 (701) 328-2910
<b>OREGON</b>	DEPARTMENT OF INSURANCE AND FINANCE CORPORATE SECURITIES SECTION LABOR AND INDUSTRIES BUILDING SALEM, OREGON 97310 (503) 378-4387	DEPARTMENT OF INSURANCE AND FINANCE CORPORATE SECURITIES SECTION LABOR AND INDUSTRIES BUILDING SALEM, OREGON 97310 (503) 378-4387
<b>RHODE ISLAND</b>	DEPARTMENT OF BUSINESS REGULATION IN THE SERVICE OF PROCESS, DISCLOSURE DOCUMENT AND STATE ADMINISTRATORS SECTIONS BUILDING 69, FIRST FLOOR JOHN O. PASTORE CENTER 1511 PONTIAC AVENUE CRANSTON, RHODE ISLAND 02920 (401) 222-3048	DIRECTOR DEPARTMENT OF BUSINESS REGULATION STATE OF RHODE ISLAND SECURITIES DIVISION 1511 PONTIAC AVENUE CRANSTON, RI 02920-4407 (401) 462-9588
<b>SOUTH DAKOTA</b>	DIVISION OF SECURITIES	DIRECTOR, DEPARTMENT OF

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
	118 WEST CAPITOL PIERRE, SOUTH DAKOTA 57501 (605) 773-4013	COMMERCE AND REGULATION DIVISION OF SECURITIES 445 E. CAPITOL AVENUE PIERRE, SOUTH DAKOTA 57501 (605) 773-4013
<b>VIRGINIA</b>	STATE CORPORATION COMMISSION DIVISION OF SECURITIES AND RETAIL FRANCHISING NINTH FLOOR 1300 EAST MAIN STREET RICHMOND, VIRGINIA 23219 (804) 371-9672	CLERK, STATE CORPORATION COMMISSION 1300 EAST MAIN STREET, FIRST FLOOR RICHMOND, VIRGINIA 23219 (804) 371-9672
<b>WASHINGTON</b>	DEPARTMENT OF FINANCIAL INSTITUTIONS SECURITIES DIVISION P.O. BOX 9033 OLYMPIA, WASHINGTON 98507-9033 (360) 902-8760	DIRECTOR, DEPARTMENT OF FINANCIAL INSTITUTIONS SECURITIES DIVISION GENERAL ADMIN. BLDG. 3 <sup>RD</sup> FLOOR 210-11TH AVENUE, SW OLYMPIA, WASHINGTON 98504
<b>WISCONSIN</b>	SECURITIES AND FRANCHISE REGISTRATION WISCONSIN SECURITIES COMMISSION 345 WEST WASHINGTON STREET, 4 <sup>TH</sup> FLOOR MADISON, WISCONSIN 53703	SECURITIES AND FRANCHISE REGISTRATION WISCONSIN SECURITIES COMMISSION 345 WEST WASHINGTON STREET, 4 <sup>TH</sup> FLOOR MADISON, WISCONSIN 53703

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**EXHIBIT "I"**  
**TO THE FSC FRANCHISE CO., LLC**  
**FRANCHISE DISCLOSURE DOCUMENT**  
**AREA DEVELOPMENT AGREEMENT**

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Effective Date: \_\_\_\_\_

Name of Developer: \_\_\_\_\_

Address of Developer: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Summary of Description of Territory: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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**EXHIBITS:**

- A: GLOSSARY
- B: CONFIDENTIALITY, NONSOLICITATION AND NONCOMPETITION AGREEMENT

**FSC FRANCHISE CO., LLC**  
**AREA DEVELOPMENT AGREEMENT**

**THIS AREA DEVELOPMENT AGREEMENT** (this "**Agreement**") is effective on \_\_\_\_\_, 20\_\_\_\_ (the "**Effective Date**"). The parties to this Agreement are us, **FSC FRANCHISE CO., LLC**, a Delaware limited liability company (referred to in this Agreement as "**we**," "**us**" or "**our**"), and \_\_\_\_\_ (referred to in this Agreement as "**you**," "**your**" or "**Developer**").

**1. INTRODUCTION.**

1.1 **The Beef 'O' Brady's® Family Sports Pub System.** We and our affiliates have expended considerable time and effort in developing casual dining restaurants featuring and serving a variety of food and beverage products and services, including our approved beverage program, which includes beer and wine and hard liquor, in a distinctive and innovative environment ("**Family Sports Pubs**"). The **Family Sports Pubs** operate under the service marks and trade names "**Beef 'O' Brady's®**" and under distinctive business formats, methods, procedures, designs, layouts, signs, equipment, menus, recipes, trade dress, standards and specifications, all of which we may improve, further develop or otherwise modify from time to time (the "**System**").

We use, promote and license certain trademarks, service marks and other commercial symbols in the operation of **Family Sports Pubs**, including the trade and service marks "**Beef 'O' Brady's®**", "**O' Brady's®**", "**Beef's®**" and other associated design marks and logos (such as our "**Beef 'O' Brady's®**" mustache logo), designs, artwork and trade dress, which have gained and continue to gain public acceptance and goodwill, and may create, use and license additional trademarks, service marks and commercial symbols in conjunction with the operation of **Family Sports Pubs** (collectively, the "**Marks**"). We grant to persons who meet our qualifications and are willing to undertake the investment and effort the right to develop and operate multiple **Family Sports Pubs** located within a defined geographic area.

1.2 **Representations.** You represent and warrant to us that:

- (a) **Agreement.** You have read this Agreement and our Franchise Disclosure Document;
- (b) **Modification.** You understand that we may modify our current form of franchise agreement from time to time; however, any modifications during the term of this Agreement will not vary the amount of the Franchise Fee or royalty fees to be paid by you;
- (c) **Terms, Conditions and Covenants.** You understand and accept the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain our high standards of quality and service and the uniformity of those standards at all **Family Sports Pubs** in order to protect and preserve the goodwill of the Marks;
- (d) **Independent Investigation.** You have conducted an independent investigation of the business venture contemplated by this Agreement and recognize that, like any other business, the nature of the business conducted by **Family Sports Pubs** may evolve and change over time;
- (e) **Business Risks.** That an investment in **Family Sports Pubs** involves business risks and that the success of the venture is largely dependent upon your business abilities and efforts;
- (f) **Representation.** As an inducement to our entry into this **Agreement**, you have made no misrepresentations in obtaining the development rights granted in this **Agreement**;
- (g) **Timing of Disclosure.** We have provided to you a copy of our Franchise Disclosure Document and an executable copy of the Franchise Agreement at least 14 calendar days prior to the execution of the Franchise Agreement or our receipt of any consideration from you;

1.3 **Acknowledgments.** We expressly disclaim the making of, and you acknowledge that you have not received or relied upon, any warranty or guaranty, express or implied, as to the revenues, sales, profits or success of the business venture contemplated by this Agreement or the extent to which we will continue to develop and expand the network of **Family Sports Pubs**. You acknowledge that:

(a) **Revenues, Sales or Profits.** Any statement regarding the potential or probable revenues, sales or profits of the business venture are made solely in the Franchise Disclosure Document delivered to you prior to signing this Agreement;

(b) **Unauthorized Representation.** Any statement regarding the potential or probable revenues, sales or profits of the business venture or statistical information regarding any existing **Family Sports Pub** owned by us or our affiliates that is not contained in our Franchise Disclosure Document is unauthorized, unwarranted and unreliable and should be reported to us immediately; and

(c) **Notice of Exceptions.** You have not received or relied on any representations about us or our franchising program or policies made by us, or our officers, directors, employees or agents, that are contrary to the statements made in our Franchise Disclosure Document or to the terms of this Agreement. If there are any exceptions to any of the foregoing you agree to: (i) immediately notify our chief executive officer; and (ii) note such exceptions by attaching a statement of exceptions to this Agreement prior to signing it.

1.4 **Business Organization.** If you are at any time a business organization ("**Business Entity**") (like a corporation, limited liability company or partnership) you agree and represent that:

(a) **Authority.** You have the authority to execute, deliver and perform your obligations under this Agreement and are duly organized or formed and validly existing in good standing under the laws of the state of your incorporation or formation;

(b) **Governing Documents.** Your organizational or governing documents will recite that the issuance and Transfer of any ownership interests in you are restricted by the terms of this Agreement, and all certificates and other documents representing ownership interests in you will bear a legend referring to the restrictions of this Agreement;

(c) **Principal Owners Statement.** The Principal Owners Statement will completely and accurately describe all of your Owners and their interests in you. A copy of our current form of Principal Owners Statement is attached to the Franchise Agreement as Exhibit F;

(d) **Ownership Changes.** You and your Owners agree to revise the Principal Owners Statement as may be necessary to reflect any ownership changes and to furnish such other information about your organization or formation as we may request (any and all ownership changes must be approved in advance by us);

(e) **Guaranty.** Each of your Owners during the term of this Agreement will sign and deliver to us our standard form of Principal Owner's Guaranty undertaking to be bound jointly and severally by all provisions of this Agreement and any other agreements between you and us. A copy of our current form of Principal Owners Guaranty is attached to the Franchise Agreement as Exhibit E; and

(f) **Documents and Contract.** At our request, you will furnish true and correct copies of all documents and contracts governing the rights, obligations and powers of your Owners and agents (like articles of incorporation or organization, and partnership, operating or shareholder agreements).

## 2. TERM AND SUCCESSION

2.1 **Term of Agreement.** This Agreement commences on the Effective Date and expires on the earlier of: (i) the last day of the **Development Schedule**; or (ii) the completion of construction of the last **Family Sports Pub** specified in the **Development Schedule**. This **Agreement** may be terminated before it expires in accordance with **Section 9 of this Agreement**. Upon expiration or termination of this **Agreement**, you will not have any further rights to acquire franchises to operate **Family Sports Pubs**; but you may continue to develop, own and operate all **Family Sports Pubs** subject to the franchise agreements (the "**Franchise Agreement(s)**") with us in accordance with their terms. On expiration of this Agreement we may grant you successor development rights as described below.

### 2.2 **Successor Rights and Conditions.**

(a) **Exclusive Area.** At the expiration of the term of this **Agreement**, if you and we both determine that additional **Family Sports Pubs** should be developed in the **Exclusive Area**, we will offer you the right to enter into a successor area development agreement (a "**Successor Agreement**") if you meet all of the following conditions:

- (i) you agree to further develop the **Exclusive Area** in accordance with the **Development Schedule** that you and we agree upon and is established in the **Successor Agreement**;
- (ii) you (or any affiliate) are not in default of any provision of this Agreement, any Franchise Agreement, or any other agreement you (or an affiliate) have entered into with us (or our affiliates);
- (iii) you sign and deliver to us the **Successor Agreement** (which will be our then-current form of Area Development Agreement), which may include different fees and performance criteria and schedules;
- (iv) you pay to us the **Development Fee** required by the Successor Agreement; and
- (v) you sign and deliver to us a general release, in the form attached to the Franchise Disclosure Document, of any and all claims against us and our officers, directors, employees, agents, affiliates, successors and assigns.

(b) **Sole Operator.** After initially deciding that the **Exclusive Area** does not warrant additional **Family Sports Pubs**, if we later decide otherwise, we may offer you the right to enter into a **Successor Agreement** (on the conditions described in **Section 2.2(a)** if you continue to be the only operator of **Family Sports Pubs** in the **Exclusive Area**).

2.3 **Timing and Method.** Not less than 6 months nor more than 12 months prior to the expiration of this Agreement, you will notify us that you wish to enter into a **Successor Agreement** with us. After receiving that notice, we will either deliver to you the form of **Successor Agreement**, including the proposed **Development Schedule** to be used in the **Successor Agreement** or our written notice that we have determined that no additional **Family Sports Pubs** may be developed in the **Exclusive Area**. You and we must both sign and deliver to each other the **Successor Agreement** (with a completed **Successor Development Schedule**) at least 30 days prior to the expiration of the term of this **Agreement**. If you do not sign and deliver to us the **Successor Agreement**, and pay the **Development Fee** required under the **Successor Agreement** within 30 days prior to the expiration of this **Agreement**, you will be deemed to have elected not to enter into a **Successor Agreement** with us. If you do not meet the requirements described in **Section 2.2**, this **Agreement** will expire when indicated in **Section 2.1**.

2.4 **Rights on Expiration.** Upon expiration of this **Agreement** and when we determine that the **Exclusive Area** is large enough for further development unless you sign a **Successor Agreement** with us, we may then operate or grant other persons franchises to operate **Family Sports Pubs** within the **Exclusive Area**. You may continue to own and operate all **Family Sports Pubs** then in operation under the Franchise Agreements.

### 3. **DEVELOPMENT RIGHTS AND OBLIGATIONS.**

3.1 **Development Rights.** If you are in full compliance with all of the provisions of this **Agreement** and all of the Franchise Agreements, then during the term of this **Agreement**, we will:

(a) **Designation of Area.** Grant to you (and affiliates) franchises for the ownership and operation of **Family Sports Pubs** to be located within the following geographic area (the "**Exclusive Area**"): \_\_\_\_\_

\_\_\_\_\_

(b) **No Competing Operations.** Not operate (directly or through an affiliate) nor grant a franchise for the operation of any **Family Sports Pub** to be located within the **Exclusive Area**, except for those franchises granted to you (and affiliates) pursuant to this **Agreement**.

3.2 **Rights Retained.** We (and our affiliates) retain the right in our sole **Control** to:

(a) **Outside Exclusive Area.** Establish and grant to other franchisees the right to establish **Family Sports Pubs** anywhere outside the **Exclusive Area**, on such terms and conditions as we deem appropriate (even immediately outside the border of the **Exclusive Area**, but not within the Protected Territory specified in the Franchise Agreement of any **Family Sports Pub** you operate under this **Agreement** and continue to operate);

(b) **Different Trademarks.** Operate and grant franchises to others to operate businesses, whether inside or outside the **Exclusive Area**, specializing in the sale of products or provision of services, other than a **Competitive Business** (as defined in **Section 7.3**) or a **Family Sports Pub**, using certain of the **Marks** and pursuant to such terms and conditions as we deem appropriate;

(c) **Other Services.** Operate and grant franchises to others to operate businesses, or provide other services, whether inside or outside the **Exclusive Area**, that do not use any of the **Marks**;

(d) **Other Channels of Distribution.** Market and sell, inside and outside of the **Exclusive Area**, through channels of distribution other than full service **Family Sports Pubs** (like Internet, e-commerce, mail order or grocery, retail or convenience stores) or through special purpose sites including sites at which access to the general public is limited (like golf courses, school campuses, colleges, universities, on-campus food outlets, train stations, casinos, airports, stadiums, theme parks, military bases, etc.), goods and services competitive with goods and services offered by **Family Sports Pubs**, under the **Marks** or under trade names, service marks or trademarks other than the **Marks**, without any compensation to you.

(e) **Merger/Acquisition.** Purchase, merge, acquire, be acquired by or affiliate with an existing competitive or non-competitive franchise or non-franchise network, chain or any other business regardless of the location of that other business' facilities, and that following such activity we may operate, franchise or license those other businesses and/or facilities under any names or marks other than, while this



**Agreement** is in effect, the **Marks**, regardless of the location of these businesses and/or facilities, which may be within the **Exclusive Area** or immediately outside its border.

3.3 **Development Obligations.** During the term of this **Agreement**, you will at all times faithfully, honestly and diligently perform your obligations and continuously exert your best efforts to promote and enhance the development of **Family Sports Pubs** within the **Exclusive Area**. Without limiting the foregoing obligations, you agree to:

(a) **Sites.** Obtain locations and premises for **Family Sports Pubs** (the "**Sites**") approved by us; and

(b) **Development Periods.** Commence construction of, develop and open a total of \_\_\_\_\_ **Family Sports Pubs** within the time periods ("**Development Periods**") mandated by the following schedule (the "**Development Schedule**"):

<b>Minimum Development Quota</b>		
<b>Development Period</b>	<b>Number of Family Sports Pubs Opened During Development Period</b>	<b>Cumulative # of Family Sports Pubs to be Opened Through End of Development Period</b>
1.		
2.		
3.		
4.		
5.		

**Family Sports Pubs** will not count towards meeting the **Minimum Development Quota** for any **Development Period** until they have been fully constructed, developed and have opened operations in accordance with their respective franchise agreements with us. We determine if any **Family Sports Pub** has "opened" for purposes of meeting the **Development Schedule** and any **Minimum Development Quota** for any **Development Period**. If a **Family Sports Pub** is permanently closed after having been opened, you agree to develop and open a substitute **Family Sports Pub** within 1 year from the date of its permanent closing separate and apart from the **Development Schedule**.

3.4 **Effect of Failure.** Strict compliance with the **Development Schedule** is the essence of this **Agreement**. If you do not timely meet your **Minimum Development Quota** as of the end of any **Development Period** shown on the **Development Schedule**, you will be in default of your obligations under this **Agreement**. If such a default occurs, it will constitute a material breach of this **Agreement** and we may then, in our sole discretion, elect to:

(a) **Terminate.** Terminate this **Agreement**;

(b) **Loss of Exclusivity.** Have the right to operate (directly or through affiliates) or grant franchises for the operation of **Family Sports Pubs** within the **Exclusive Area**;

(c) **Extension.** Grant you an extension under the **Development Schedule** for such time period as we specify at our sole option for a non-refundable extension fee equal to the balance of the Franchise Fees for the number of **Family Sports Pubs** that are to be opened and operated under the **Development Schedule** but are not yet open; or

(d) **Reduction of Rights.** Reduce the **Exclusive Area** and the **Development Schedule** to a size and magnitude that we estimate you are capable of operating otherwise in accordance with this **Agreement.**

#### 4. **DEVELOPMENT FEE.**

4.1 **Amount and Consideration.** When you sign this **Agreement**, you agree to pay to us a development fee (the "**Development Fee**"). The **Development Fee** depends on the number of **Family Sports Pubs** to be opened. The **Development Fee** equals \$[ ] for your first **Family Sports Pub** plus \$[50% of the **Development Fee** for your first **Family Sports Pub**] multiplied by the number of additional **Family Sports Pubs** required to be developed in the **Exclusive Area**. For example, if the **Development Schedule** requires 5 **Family Sports Pubs** to be developed in the contiguous United States, then the **Development Fee** is \$105,000 [ $\$35,000 + (4 \times \$17,500) = \$105,000$ ]. The **Development Fee** constitutes payment only for the exclusive rights we grant you under this **Agreement**. The **Development Fee** is non-refundable and is fully earned by us on receipt.

4.2 **Franchise Fees.** At the time of executing the lease agreement for each **Family Sports Pub** developed under the Area Development Agreement after the first one, you are required to pay a Franchise Fee of \$[50% of the **Development Fee** for your first **Family Sports Pub**]. Thus, using the example in **Section 4.1** above, after paying the \$105,000 Development Fee at the time of executing the Area Development Agreement for **Family Sports Pubs** to be developed in the contiguous United States, you are required to pay \$17,500 at the time of executing the lease agreements for each of the 4 additional **Family Sports Pubs** developed. These fees are non-refundable and are fully earned by us on receipt.

5. **SITE SELECTION/FRANCHISES.** Subject to the provisions of this agreement, we will grant franchises to you for the operation of **Family Sports Pubs** to be located within the exclusive area on the following conditions:

5.1 **Site Reports.** You agree to submit to us a complete site report (containing such information and collateral materials as we require from time to time) for each **Site** at which you propose to establish and operate a **Family Sports Pub**, before you acquire any interest in it (by lease or purchase). A complete site report should contain demographic, commercial and market feasibility studies, a site plan, a customary title insurance commitment, zoning verifications, Phase I environmental surveys and other information and photographs and such other information as we determine appropriate periodically. Each **Site** you submit must be based on your belief that it conforms to the site criteria we establish from time to time.

5.2 **Site Evaluation.** We will evaluate all proposed **Sites** and all **Sites** are subject to our prior written approval. You agree to obtain our prior written consent to the **Site** before you sign any lease for, or a binding purchase agreement for, the proposed **Site**. Nothing prevents us from operating (directly or through an affiliate), or from granting a franchise for the operation of, a **Family Sports Pub** at any **Site** outside of the **Exclusive Area**.

5.3 **Site Approval.** We may withhold our consent to a **Site** for any reason we deem to be based on our good faith business judgment. We will, by delivery of written notice to you, approve or disapprove each

Site proposed by you for the operation of a **Family Sports Pub**. We agree to exert commercially reasonable efforts to notify you within 30 days after we have received the complete site report and other materials we have requested.

5.4 **Effect of Approval.** You acknowledge and agree that any advice we give you regarding selection of your **Site** or **Exclusive Area** (whether as part of our **System** or Manuals, in response to your proposals or inquiries, or otherwise); our proposal or suggestion of any **Site** or **Exclusive Area**; and/or, our exercise of our rights of inspection or approval, are not meant to be relied on or construed in any way as a representation, express or implied warranty, or any other indicia of the prospective profitability, viability or merit of any location. You waive, release and discharge any claim to the contrary.

5.5 **Franchise Agreement.** If we have approved, and you have obtained lawful possession of, or a formal commitment for the **Site**, we will offer you a franchise to operate a **Family Sports Pub** at the proposed **Site** by delivering to you a **Franchise Agreement** in a form ready for signing by you (or an affiliate). You understand and agree that we may modify the **Franchise Agreement** from time to time; however, any modifications during the term of this Agreement will not vary the amount of the Franchise Fee, royalty fees or other fees to be paid to us. You (or an affiliate) must sign and deliver such **Franchise Agreement** to us within 30 days after our delivery to you along with payment of the applicable Franchise Fee. If you (or your affiliate) do not timely sign and return such **Franchise Agreement** and tender payment of the Franchise Fee, we may revoke our offer to grant you a franchise to operate a Family Sports Pub at such proposed **Site**. Contemporaneously with the signing of the **Franchise Agreement**, each of your direct or indirect **Owners** must sign and deliver to us a Principal Owner's Guaranty in the form attached to the **Franchise Agreement**.

## 6. **MANAGEMENT OF BUSINESS.**

6.1 **Management.** You (or, if you are a **Business Entity** a person having management rights and powers (e.g., officers, managers, partners, etc.) (the "**Operating Partner(s)**") agree to:

- (a) **Full Time Efforts.** Exert full-time efforts to the fulfillment of your obligations;
- (b) **Supervision.** Supervise the development and operation of **Family Sports Pubs** franchised pursuant to this Agreement;
- (c) **Training.** Attend such training programs, meetings and conventions which we may offer during the term of this **Agreement**; and
- (d) **Expenses.** Pay and bear all expenses incurred by you or your **Operating Partner(s)** in attending such meetings, programs or conventions.

### 6.2 **Management Personnel.**

(a) **General:** For this business model to work, it is essential that the operating partner be active in its management and active in the trade area to build the relationships needed to grow and sustain the business. You agree to hire and maintain the number and level of management and other skilled personnel required to adequately manage, supervise and provide personal services at all **Family Sports Pubs** operated by you in accordance with the guidelines we establish from time to time. You agree to promptly notify us of the identities of your key personnel, and any changes in such personnel. You are responsible for insuring that such personnel are properly trained and licensed to perform their duties.

(b) **Ownership Interest:** As a developer of multiple **Family Sports Pubs**, you will not be in a position to have direct, personal day-to-day management responsibility for the **Family Sports Pubs** that you will own and operate. However, you understand and acknowledge that each of the **Family Sports**

**Pubs** that you (or your affiliates) own and operate must be under the direct management supervision and direction of an **Operating Partner** who meets all the following qualifications and conditions:

- (i) Has a sufficient amount of experience in managing and operating restaurants in terms of duration, operational responsibilities and previous training and who has satisfactorily completed our training programs so that such person can demonstrate to our satisfaction that he is capable of managing a **Family Sports Pub**;
- (ii) Has management responsibility and authority over the **Family Sports Pub** on a day-to-day basis;
- (iii) Is actively employed on a full-time basis to manage such **Family Sports Pub's** operations;
- (iv) Is bound by our then-current form of confidentiality and non-competition agreement (or other form of contract satisfactory to us); and
- (v) Satisfactorily completes our initial training program, certification and any other training programs we request from time to time.

You will provide to us with your plan for such **Operating Partners** and you understand that the economic and ownership plan is subject to our approval.

6.3 **Joint and Several.** If two or more persons are at any time the **Developer** under this **Agreement**, their obligations to us are joint and several and the term "you" refers to all of them.

## 7. **CONFIDENTIAL INFORMATION/EXCLUSIVE RELATIONSHIP**

7.1 **Types of Confidential Information.** We possess certain confidential information relating to the development and operation of **Family Sports Pubs**, which includes but is not limited to the following (collectively, the "**Confidential Information**"):

- (a) **System.** The **System** and the know-how related to its use;
- (b) **Plans and Specifications.** Plans, specifications, size and physical characteristics of **Family Sports Pubs**;
- (c) **Site Selection.** Site selection criteria, land use and zoning techniques and criteria;
- (d) **Regulatory Requirements.** Methods in obtaining licensing and meeting regulatory requirements;
- (e) **Business Methods.** Sources, design and methods of use of equipment, furniture, forms, materials, supplies, Websites, Internet or Intranet, "business to business" or "business to customer" networks or communities and other e-commerce methods of business;
- (f) **Marketing.** Marketing, advertising and promotional programs for **Family Sports Pubs**;
- (g) **Staffing.** Staffing and delivery methods and techniques for personal services;
- (h) **Managers and Employees.** The selection, testing and training of managers and other employees for **Family Sports Pubs**;

- (i) **Recruitment of Employee Candidates**. The recruitment, qualification and investigation methods to secure employment for employment candidates;
- (j) **Computer System**. The Computer System and any computer software and related passwords we make available or recommend for **Family Sports Pubs**;
- (k) **Know-How**. Methods, techniques, formats, specifications, procedures, information and systems related to and knowledge of and experience in the development, operation and franchising of **Family Sports Pubs**;
- (l) **Supplier Specifications**. Knowledge of specifications for and identities of and suppliers of certain products, materials, supplies, furniture, furnishings and equipment;
- (m) **Recipes and Techniques**. Recipes, formulas, preparation methods and serving techniques; and
- (n) **Knowledge**. Knowledge of operating results and financial performance of **Family Sports Pubs** other than those operated by you (or your affiliates);
- (o) **Pricing and Purchasing**. Pricing, purchase agreements and contracts.

We will disclose certain **Confidential Information** to you through various manuals and in providing training, guidance and assistance to you from time to time.

7.2 **Nondisclosure Agreement**. You acknowledge and agree that:

- (a) **No Interest in Confidential Information**. You will not acquire any interest in the **Confidential Information**, other than the right to utilize it in the development and operation of **Family Sports Pubs** under the **Franchise Agreements** during the term of this **Agreement**, and that the duplication or use of the **Confidential Information** in any other business would constitute an unfair method of competition; and
- (b) **Proprietary**. The **Confidential Information** is proprietary, may involve our trade secrets and is disclosed to you solely on the condition that you agree, and you do agree, that you:
  - (i) will not use the **Confidential Information** in any other business or capacity;
  - (ii) will maintain the absolute confidentiality of the **Confidential Information** during and after the term of this **Agreement**;
  - (iii) will not make unauthorized copies of any portion of the **Confidential Information** disclosed via electronic medium, in written form or in other tangible form, including, for example, the Manuals; and
  - (iv) will adopt and implement all reasonable procedures that we prescribe from time to time to prevent unauthorized use or disclosure of the **Confidential Information** including, restrictions on disclosure to your employees and the use of nondisclosure and noncompetition agreements we may prescribe for employees or others who have access to the **Confidential Information**.

7.3 **Competitive Restrictions**. You agree and acknowledge that we would be unable to protect the Confidential Information against unauthorized use or disclosure and would be unable to encourage a free

exchange of ideas and information among **Family Sports Pubs** if owners of franchised **Family Sports Pubs** were permitted to hold any interest in any business or facility owning, operating, or managing, or granting franchises or licenses to others to own, operate or manage, any bar, sports pub, restaurant, food service facility or other business that features menu items, products and/or services similar to any of the menu items, products and/or services offered by the **Family Sports Pubs**, including, by way of example and without limitation, any restaurant, bar or catering service that offers chicken wings, beef, hamburgers, chicken, or sandwiches or any bar which operates as a sports pub (other than a **Family Sports Pub** under a franchise agreement with us) (a "**Competitive Business**"). You also acknowledge that we have entered into this **Agreement** with you in part in consideration of and in reliance on your agreement to deal exclusively with us. Therefore, you agree as follows:

(a) **Noncompetition and Nonsolicitation:** During the term of this **Agreement** neither you nor any of your **Owners** if you are a **Business Entity** (a "**Restricted Person**") will:

- (i) **No Competitive Business.** Engage in a **Competitive Business** or perform services for a **Competitive Business**, directly or indirectly, as a director, owner, proprietor, officer, manager, employee, consultant, representative, agent, independent contractor or otherwise, except under a franchise agreement with us or our affiliates;
- (ii) **Disclosed or Beneficial Owner in a Competitive Business.** Have any direct or indirect interest, as a disclosed or beneficial owner, in a **Competitive Business**, except under franchise agreements with us or our affiliates;
- (iii) **No Interest in Other Entity Granting Franchises.** Have any direct or indirect interest, as a disclosed or beneficial owner, in any entity which is granted or is granting franchises or licenses to others to operate any **Competitive Business**, except **Family Sports Pubs** under **Franchise Agreements** with us or our **Affiliates**;
- (iv) **No Recruitment of Employees.** Recruit or hire any employee of ours or our **Affiliates** or our franchisees without our prior written consent and/or that of the other franchisee (failure to obtain written consent may result in financial sanctions payable to the offended party); or
- (v) **No Solicitation.** directly or indirectly, on behalf of yourself or any other person, or as an employee, proprietor, owner, consultant, agent, contractor, employer, affiliate, partner, officer, director or associate, or stockholder of any other person or entity, or in any other capacity, solicit, divert, take away, or interfere with any of the business, customers, clients, contractors, referral sources, trade or patronage of ours, our **Affiliates** or our franchisees as such may exist throughout the term of this **Agreement**.

(b) **Public Companies:** Notwithstanding the foregoing, any aggregate ownership of 5% or less of the issued and outstanding shares of any class of stock of a publicly traded company is not prohibited by the provisions of this **Section**.

(c) **Confidentiality, Nonsolicitation and Noncompetition Agreement.** You must require and obtain, at your expense, execution and delivery to us of restrictive covenants, in the form of **Confidentiality, Nonsolicitation and Noncompetition Agreement** attached to this **Agreement** as **Exhibit B** from of all of your **Owners**, and any person employed by or under an independent contractor relationship with you whom receives or will receive any training by us or you which is directly or indirectly related to the **System** or involves any of the **Confidential Information** no later than ten days following the effective

date of this **Agreement** (or, if any individual or entity attains such status after the effective date of this **Agreement**, within ten days following such individual or entity's attaining such status).

## 8. MARKS.

8.1 **Ownership and Goodwill of Marks.** Your right to use the **Marks** is derived solely from this **Agreement** and the **Franchise Agreements** and limited to your operation of the **Family Sports Pubs** at the **Sites** pursuant to and in compliance with the **Franchise Agreements** and all **System Standards** we prescribe from time to time during term of the **Franchise Agreements**. Your unauthorized use of the **Marks** will be a breach of this **Agreement** and an infringement of our rights in and to the **Marks**. You acknowledge and agree that your usage of the **Marks** and any goodwill established by such use will be exclusively for our benefit and that neither this **Agreement** nor the **Franchise Agreements** confer any goodwill or other interests in the **Marks** upon you (other than the right to operate the **Family Sports Pubs** in compliance with the **Franchise Agreements**). All provisions of this **Agreement** and the **Franchise Agreements** applicable to the **Marks** apply to any additional proprietary trade and service marks and commercial symbols we authorize you to use.

8.2 **Limitations on Your Use of Marks.** You agree to use the **Marks** as the sole identification of the **Family Sports Pubs**, except that you agree to identify yourself as the independent owner in the manner we prescribe in the Manual or otherwise. We may place a conspicuous notice at a place we designate in each of your **Family Sports Pubs** identifying you as its independent owner and operator. You agree not to remove, destroy, cover or alter that notice without our prior consent. If you do not do so, we may accomplish the notice or identification as we see fit, and you agree to reimburse us for doing so. You may not use any **Mark** as part of any corporate or legal business name or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos we license to you), or in any modified form, nor may you use any **Mark** in connection with the performance or sale of any unauthorized services or products or in any other manner we have not expressly authorized in writing. No **Mark** may be used in any advertising concerning the **Transfer**, sale or other disposition of any **Family Sports Pub** or an ownership interest in you. You agree to display the **Marks** prominently in the manner we prescribe at the **Family Sports Pubs**, on supplies or materials we designate and in connection with forms and advertising and marketing materials. You agree to give such notices of trade and service mark registrations as we specify and to obtain any fictitious or assumed name registrations required under applicable law.

8.3 **Notification of Infringements and Claims.** You agree to notify us immediately of any apparent infringement or challenge to your use of any **Mark**, or of any claim by any person of any rights in any **Mark**, and you agree not to communicate with any person other than us, our attorneys and your attorneys in connection with any such infringement, challenge or claim. We have sole discretion to take such action as we deem appropriate and the right to control exclusively any litigation, U.S. Patent and Trademark Office proceeding or any other administrative proceeding arising out of any such infringement, challenge or claim or otherwise relating to any **Mark**. You agree to sign any and all instruments and documents, render such assistance and do such acts and things as, in the opinion of our attorneys, may be necessary or advisable to protect and maintain our interests in any litigation or Patent and Trademark Office or other proceeding or otherwise to protect and maintain our interests in the **Marks**.

8.4 **Discontinuance of Use of Marks.** If it becomes advisable at any time in our sole discretion for us and/or you to modify or discontinue the use of any **Mark** and/or use one or more additional or substitute trade or service marks, you agree to comply with our directions within a reasonable time after receiving notice. We will not be obligated to reimburse you for any direct or indirect loss, including loss of revenue attributable to any modified or discontinued **Mark** or for any expenditures you make to promote a modified or substitute trademark or service mark.

8.5 **Signage.** Signage must comply with all state and local laws and ordinances. You must limit your signage to "**Beef 'O'Brady's**" and "**Family Sports Pub**" or any other signage that we designate. You may

not use of any other language (i.e. “Family Sports Bar,” “Family Sports Grill,” “Family Sports Restaurant,” etc.) without our prior written approval which we can withhold for any reason or no reason. If you employ any signage that does not comply with this **Agreement**, you will be in material breach of this **Agreement**. You must not use a sign that deviates from the standard logo unless and until you have submitted a request for such deviation to us in writing with drawings and we have approved such deviation in writing.

## 9. TERMINATION

9.1 **Termination Upon Notice.** We may terminate this **Agreement**, effective on delivery of notice of termination to you, if:

(a) **Failure to Meet Obligations.** You fail to meet your obligations in accordance with the **Development Schedule** (unless we exercise other remedies under **Section 3.4(b) - (d)**);

(b) **Unauthorized Transfer.** You (or, if you are a **Business Entity**, any **Operating Partner** or any principal **Owner**) make an unauthorized assignment or **Transfer** of this **Agreement**, an ownership interest in you or any interest in any affiliate's **Family Sports Pub** or **Franchise Agreement** granted pursuant to this **Agreement**;

(c) **Material Misrepresentation.** You (or, if you are a **Business Entity**, any **Operating Partner** or any **Owner**) have made any material misrepresentation or omission in your application for the development rights conferred by this **Agreement**;

(d) **Conviction of Felony or Serious Crime.** You (or, if you are a **Business Entity**, any **Operating Partner** or any **Owner**) are or have been convicted of, or plead, or have pleaded no contest, or guilty, to a felony or other serious crime or offense that is likely to adversely affect your reputation, our reputation or the reputation of any other **Family Sports Pub**;

(e) **Unauthorized Use of Marks.** You (or, if you are a **Business Entity**, any **Operating Partner** or any **Owner**) make any unauthorized use of the Marks or any unauthorized use or disclosure of the **Confidential Information**;

(f) **Failure to Pay Amounts Due.** You fail to make payments of any amounts due to us or our affiliates under this **Agreement** or any other agreement that you have with us (including any **Franchise Agreement**), and do not correct such failure within 10 days after written notice of such failure is delivered to you;

(g) **Failure to Perform Lease Obligations.** You fail to perform or observe any provision of any lease or sublease for any **Site**, any financing document for any **Site** or any lease or financing document for any of the approved **Operating Assets** or **Family Sports Pub Materials** (as defined in the **Franchise Agreement**) and do not correct such failure within the applicable cure period;

(h) **Failure to Commence Construction.** You fail to commence construction of your first **Family Sports Pub** within 6 months following the effective date of this **Agreement**;

(i) **Failure to Sign Franchise Agreement After Possession Received.** You do not enter into a franchise agreement within 30 days after you have obtained lawful possession of a lease for or a contract to purchase a **Site**;

(j) **Bankruptcy/Insolvency.** You, or one of your principal **Owners**, make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; consent to the appointment of a receiver, trustee or liquidator of all or the substantial part of



your property; your business, or a principal **Owner's** business, is attached, seized, subjected to a writ of distress, warrant or levied upon, unless such attachment, seizure, writ, warrant or levy is vacated within 30 days; or any order appointing a receiver, trustee or liquidator of you, or a principal **Owner**, or the business of any of them is not vacated within 30 days following the entry of such order (You must notify us in writing within 10 days of any of the events listed in this **Section 9.2(j)**);

(k) **Dishonest or Unethical Conduct.** You, or any of your principal **Owners**, engage in any dishonest or unethical conduct which may adversely affect the reputation of **Family Sports Pubs** or the goodwill associated with the **Marks**;

(l) **Failure to Comply with Franchise Agreement or Other Agreement.** You fail to comply with any other provision of this **Agreement** or any provision of any other agreement you have with us (including any **Franchise Agreement**) and do not correct such failure within 10 days after written notice of such failure to comply is delivered to you;

(m) **Repeated Defaults.** You fail on 2 or more separate occasions within any 12 consecutive month period or on 3 occasions during the term of this **Agreement** to comply with this **Agreement** or any other agreement you have with us (including any **Franchise Agreement**), after we have notified you of the failure whether or not such failures to comply are corrected after notice of the failure is delivered to you; or

(n) **Notice of Termination.** We have delivered to you (or an affiliate) a notice of termination of a **Franchise Agreement** in accordance with its terms and conditions or you (or your affiliates) have terminated a **Franchise Agreement** without cause, as defined in such agreement.

9.2 **Cross-Default.** Any default or breach by you, your affiliates and/or any guarantor of yours of any other agreement between us or our affiliates and you and/or such other parties will be deemed a default under this **Agreement**, and any default or breach of this **Agreement** by you and/or such other parties will be deemed a default or breach under any and all such other agreements between us or our affiliates and you, your **Affiliates** and/or any guarantor of yours. If the nature of the default under any other agreement would have permitted us (or our affiliate) to terminate this **Agreement** if the default had occurred under this **Agreement**, then we will have the right to terminate all such other agreements in the same manner provided for in this **Agreement** for termination hereof.

## 10. EFFECT OF TERMINATION AND EXPIRATION.

10.1 **Continuing Obligations.** All of the obligations under this **Agreement** which expressly or by their nature survive the expiration or termination of this **Agreement** continue in full force and effect subsequent to and notwithstanding the expiration or termination of this **Agreement**, until they are satisfied in full or by their nature expire. Within 5 days immediately following termination or expiration of this **Agreement** for any reason, you must pay to us all fees or other amounts due us under this **Agreement**, or any other agreement, note, or obligation between you and us.

10.2 **Post-Term Competitive Restrictions.** Upon termination or expiration of this **Agreement** for any reason, you and your **Owners** agree that, for a period of 2 years commencing on the effective date of termination or expiration, no **Restricted Person** will have any direct or indirect interest (e.g. through a spouse, child, or other family member) as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, member, manager, representative or agent or in any other capacity in any **Competitive Business** operating:

(a) **Site.** At any **Site** or within the **Exclusive Area**;

(b) **Within 15 Miles of Site.** Within 15 miles of any **Site** or the **Exclusive Area**; or

(c) **Within 15 Miles of Any Other Family Sports Pub.** Within 15 miles of any other **Family Sports Pub**, planned, in operation or under construction on the later of the effective date of the termination or expiration.

If any **Restricted Person** refuses voluntarily to comply with the foregoing obligations, the 2-year period will commence with the entry of an order of an arbitrator, or court if necessary, enforcing this provision. Each **Restricted Person** expressly acknowledges that he possesses skills and abilities of a general nature and has other opportunities for exploiting such skills. Consequently, enforcement of the covenants made in this **Section** will not deprive you of your personal goodwill or ability to earn a living. You acknowledge and agree that the time and geographic restrictions contained in this **Section** are reasonable and necessary to protect our interests and investments and do not and will not unduly burden you or deprive you of your ability to earn a living. You acknowledge and agree that any claim you have, or may have arising from this **Agreement**, or otherwise have or may have against us will not constitute a defense to our enforcement of the restrictive covenants contained in this **Agreement**.

10.3 **Grant of Franchises.** Upon termination or expiration of this **Agreement** for any reason, your rights under this **Agreement** will terminate and you agree to immediately and permanently cease your development activities. We will then have no further obligation to grant you additional franchises for **Family Sports Pubs** and will be free to operate, or grant other persons franchises to operate **Family Sports Pubs** within the **Exclusive Area**.

10.4 **Marks and Confidential Information.** Except in connection with **Family Sports Pubs** you are then operating under **Franchise Agreements**, or with respect to which a **Franchise Agreement** has been signed, you agree to immediately and permanently cease use, by advertising or in any manner whatsoever, the **Marks** and the **Confidential Information**; slogan, trademarks, trade names, service marks, designs, trade dress or logos which are similar in nature to the **Marks**; or any equipment, materials, forms, confidential methods, procedures, recipes and techniques associated with or similar to the **System** or which display the **Marks** or any other distinctive forms, slogans, signs, symbols, trade dress or devices associated with or belonging to us.

## 11. TRANSFERS.

11.1 **By Us.** This **Agreement** is fully transferable by us, and inures to the benefit of any assignee or other legal successor to our interest, as long as such assignee or successor agrees to be bound by, and assumes all of our continuing obligations under it.

11.2 **By You.** You understand and acknowledge that the rights and duties created by this **Agreement** are personal to you (or, if you are a corporation or partnership, your **Owners**) and that we have granted this **Agreement** in reliance upon our perceptions of the individual or collective character, skill, aptitude, attitude, business ability and financial capacity of you (or, if you are a **Business Entity**, your **Owners**). Therefore, neither this **Agreement** (or any interest therein) nor any part or all of the ownership of you may be transferred by you or your **Owners** without our prior written approval. Any such **Transfer** without our prior written approval constitutes a breach of this **Agreement** and will convey no rights to, or interests in, this **Agreement**. As used in this **Agreement**, the term "**Transfer**" includes your (or your **Owners**) voluntary, involuntary, direct or indirect assignment, sale, gift or other disposition of any interest in: (a) this **Agreement**; (b) you; or (c) any of the **Franchise Agreements**.

11.3 **Transfer to a Business Entity.** Notwithstanding **Section 11.2**, if you are in full compliance with this **Agreement**, you may **Transfer** this **Agreement** to a **Business Entity** that conducts no business other than your **Family Sports Pub** businesses so long as you own, control and have the right to vote 50% or more of its issued and outstanding ownership interests (like stock or partnership interests) and you guarantee its performance under this **Agreement**. Furthermore, you may not **Transfer** any ownership interests of 50% or more to anyone who does not meet our approval. All **Owners** of 50% or more of every **Family Sports Pub** and

of any **Business Entity** must meet our approval. The organizational or governing documents of the business organization must recite that the issuance and **Transfer** of any ownership interests of 50% or more in the business organization are restricted by the terms of this **Agreement**, are subject to our approval, and all certificates or other documents representing ownership interests in the business organization must bear a legend referring to the restrictions of this Agreement. As a condition of our approval of the issuance or **Transfer** of 50% or more of ownership interests to any person other than you, we may require (in addition to the other requirements we have the right to impose) that the proposed owner execute an agreement, in a form provided or approved by us, agreeing to be bound jointly and severally by, to comply with, and to guarantee the performance of, all of the your obligations under this **Agreement**.

#### 11.4 **Conditions for Approval of Transfer.**

(a) **Application.** If you (or, if you are a **Business Entity**, your **Owners**) are in full compliance with this **Agreement** and all of the **Franchise Agreements**, we will not unreasonably withhold our approval of a **Transfer** that meets all the applicable requirements of this **Section**. The proposed transferee and its owners must be individuals of good moral character and otherwise meet our then applicable standards for developers of **Family Sports Pubs**.

(b) **Development Rights.** If the **Transfer** is of the development rights granted under this Agreement or a controlling interest in the **Developer**, or is one of a series of **Transfers** which in the aggregate constitute the **Transfer** of the development rights granted under this **Agreement** or a controlling interest in the **Developer**, all of the following conditions must be met prior to or concurrently with the effective date of the **Transfer**:

- (i) the transferee must have sufficient business experience, aptitude and financial resources to operate your business and develop the **Exclusive Area**, and must either already own a **Family Sports Pub** or is acquiring one or more of them in association with the **Transfer**;
- (ii) you agree to pay us and our **Affiliates** all amounts owed to us or our **Affiliates** which are then due and unpaid and submit all required reports and statements which have not yet been submitted, under this **Agreement**, any **Franchise Agreement** or any other agreement between you (or an affiliate) and us (or our **Affiliates**);
- (iii) the transferee and/or its personnel must agree to complete our initial training program to our satisfaction;
- (iv) the transferee must meet our current owner criteria and agree to be bound by and expressly assume all of the terms and conditions of this **Agreement** for the remainder of its term;
- (v) you (and your **Owners**) must execute a general release, in the form attached to the Franchise Disclosure Document as Exhibit O, of any and all claims against us, our affiliates and our officers, directors, employees and agents;
- (vi) we must approve the material terms and conditions of such **Transfer** including, without limitation, that the price and terms of payment are not so burdensome as to affect adversely the future development of the **Exclusive Area** and the operation of **Family Sports Pubs** in it;

- (vii) if the transferee finances any part of the sale price of the transferred interest, you (and your **Owners**) must agree that all obligations of the transferee under or pursuant to any promissory notes, agreements or security interests reserved by you (or your **Owners**) must be subordinate to transferee's obligations to us and our affiliates to comply with this **Agreement** or Franchise **Agreements** executed by the transferee;
- (viii) all **Restricted Persons** must sign and deliver to us an agreement in which they will comply with the competitive restrictions contained in **Section 10.2** of this **Agreement** for 2 years commencing on the effective date of the **Transfer**; and
- (ix) the transferee must pay us a fee equal to the greater of: (i) 50% of the remainder of the franchise fees for the **Family Sports Pubs** that are required to be opened under the **Development Schedule** that are not yet open; or (ii) the amount of the purchase price in excess of the **Development Fee**.

In connection with any **Transfer** permitted under this **Section**, you agree to provide us with all documents to be signed by you and the proposed assignee or transferee at least 30 business days prior to signing.

11.5 **Right of First Refusal.** If you (or your **Owners**) at any time determine to **Transfer** this **Agreement** (as defined above) you will obtain a bona fide, signed written offer and earnest money deposit (in the amount of 5% or more of the offering price) from a responsible and fully disclosed purchaser and submit an exact copy of such offer to us. The offer must apply only to an interest in this **Agreement** or you. It must not include the purchase of any other property or rights of you (or your **Owners**). The offer must completely describe the purchase price, payment terms, terms of the assumption of liabilities and all other material terms of the **Transfer** (including all exhibits and other information so that we may readily determine the foregoing). Within 30 days from the date we receive the copy of such offer, we may purchase your rights under this **Agreement** and the assets of your business on the terms and conditions contained in the offer provided to us, except that:

- (a) **Form of Payment.** We may substitute cash for any form of payment proposed in the offer (with a discounted amount if an interest rate will be charged on any deferred payments);
- (b) **Credit.** Our credit will be deemed equal to the credit of any proposed purchaser;
- (c) **Time for Closing.** We will have no less than 90 days to prepare for a closing; and
- (d) **Representations and Warranties.** We are entitled to receive, and you and your **Owners** agree to make, all customary representations and warranties given by the seller of the assets of a business or with the capital stock of an incorporated business, as applicable, including, without limitation, representations and warranties as to:
  - (i) ownership and condition of and title to stock or other forms of ownership interests and/or assets;
  - (ii) liens and encumbrances relating to the stock or other ownership interests and/or assets; and
  - (iii) validity of contracts and the liabilities contingent or otherwise of the corporation whose stock is being purchased.

The 30-day period will not commence until you have delivered to us full and complete documentation to enable us to fully evaluate the offer.

If we exercise our right of first refusal, you and your selling **Owner(s)** agree that, for a period of 2 years commencing on the date of the closing, you and they will be bound by the competitive restrictions contained in **Section 10.2** of this **Agreement**.

If we do not exercise our right of first refusal, you or your **Owners** may complete the **Transfer** on the terms contained in the offer, subject to our approval of the **Transfer** as described in this **Section** of this **Agreement**. If the **Transfer** as described in the offer is not completed within 120 days after delivery of the offer to us, or if there is a material change in the terms of the **Transfer**, we will again have the right of first refusal as described in this **Agreement**.

11.6 **Death or Permanent Disability.** Upon your death or permanent disability or that of one of your **Owners**, the executor, administrator, conservator or other personal representative of such person must **Transfer** his interest within a reasonable time, not to exceed 6 months from the date of death or permanent disability, to a third party approved by us. Such **Transfer**, including, without limitation, **Transfer** by devise or inheritance, is subject to all the conditions for **Transfers** contained in **Section 11.4** and, unless transferred by gift, devise or inheritance, subject to the terms of **Section 11.5**. Failure to dispose of such interest within that time period constitutes a breach of this **Agreement**. Our consent to a **Transfer** of any interest subject to the restrictions of this **Section** does not constitute a waiver of any claims we may have against the assignor; nor will it be deemed a waiver of our right to demand the assignee's exact compliance with any of the terms or conditions of this **Agreement** or any **Franchise Agreements**.

11.7 **Public Offerings of Securities.** Notwithstanding any other provisions of this **Agreement**, you agree not to, without our prior written consent, sell or offer to sell any of your securities if such sale or offer would be required to be registered pursuant to the provisions of the Securities Act of 1933, as amended, and the rules and regulations pursuant thereto, or the securities laws of any other state or territory of the United States of America or of any other jurisdiction.

11.8 **Franchise Transfers.** A **Transfer** of any **Family Sports Pub** developed pursuant to this **Agreement** may be made only in connection with the **Transfer** of the **Franchise Agreement** for such **Family Sports Pub**, and a **Transfer** of the **Franchise Agreement** for any such **Family Sports Pub** may be made only in connection with the **Transfer** of all interests of yours in such **Family Sports Pub** (or the affiliate that owns such **Family Sports Pub**). A **Transfer** must comply with all of the requirements for a **Transfer** set forth in the **Franchise Agreement**.

## 12. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.

12.1 **Independent Contractors.** You and we understand and agree that this **Agreement** does not create a fiduciary relationship between the parties. We and you are independent contractors. Nothing in this **Agreement** is intended to make either party a general or special agent, joint venturer, partner or employee of the other for any purpose. You agree to conspicuously identify yourself in all dealings as the owner of development rights granted under an Area Development Agreement with us in the ways we specify for doing so. If you do not, we may place such notices to accomplish the foregoing and you must reimburse us for doing so. You agree to place notices of independent ownership on such forms, business cards, stationery, advertising and other materials as we may require from time to time.

12.2 **No Liability for Acts of Other Party.** You agree not to employ any of the Marks in signing any contract or applying for any license or permit or in a manner that may result in our liability for any of your indebtedness or obligations. You agree to not use the **Marks** in any way not expressly authorized by this **Agreement** or the **Franchise Agreements**. Except as expressly authorized in writing, neither you nor we will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name or on behalf of the other or be obligated by or have any liability under any agreements or representations made

by the other. We will not be obligated for any damages to any person or property directly or indirectly arising out of the operation of your business authorized by or conducted pursuant to this **Agreement**.

12.3 **Taxes.** We will have no liability for any sales, use, service, occupation, excise, gross receipts, income, payroll, property or other taxes, whether levied upon you or your assets or upon us, arising in connection with the business conducted by you pursuant to this **Agreement** or any **Franchise Agreement**. Payment of all such taxes is solely your responsibility.

12.4 **Indemnification.** You agree to indemnify, defend and hold us, our affiliates and our respective shareholders, directors, officers, employees, agents, successors and assignees (the "**Indemnified Parties**") harmless from and against and to reimburse them for all claims, obligations and damages described in this **Section**, any and all taxes described in **Section 12.3** of this **Agreement** and any and all claims and liabilities directly or indirectly arising out of the operation of your business (even if our negligence is alleged, but not proven), your breach of this **Agreement** or your use of the **Marks** in any manner not in accordance with this **Agreement**. For purposes of this indemnification, "**Claims**" means and includes all obligations, damages (actual, consequential or otherwise) and costs reasonably incurred in the defense of any claim against any of the **Indemnified Parties** including, without limitation, reasonable accountants', arbitrators', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of litigation, arbitration or alternative dispute resolution and travel and living expenses. The **Indemnified Parties** have the right to defend any such claim against them in such manner as they deem appropriate or desirable in their sole discretion. This indemnity will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this **Agreement**. Under no circumstances will we or any other **Indemnified Party** be required to seek recovery from any insurer or other third party, or otherwise to mitigate our, their or your losses and expenses, in order to maintain and recover fully a claim against you. You agree that a failure to pursue such recovery or mitigate a loss will in no way reduce or alter the amounts we or another **Indemnified Party** may recover from you.

### 13. **ENFORCEMENT.**

13.1 **Severability; Substitution of Valid Provisions.** Except as otherwise stated in this **Agreement**, each provision of this **Agreement**, and any portion of any provision, are severable. The remainder of this **Agreement** will continue in full force and effect. To the extent that any provision restricting your competitive activities is deemed unenforceable, you and we agree that such provisions will be enforced to the fullest extent permissible under governing law. This **Agreement** will be deemed automatically modified to comply with such governing law if any applicable law requires: (a) a greater prior notice of the termination of or refusal to renew this **Agreement**; or (b) the taking of some other action not described in this **Agreement**; or (c) if any **System Standard** is invalid or unenforceable. We may modify such invalid or unenforceable provision to the extent required to be valid and enforceable. In such event, you will be bound by the modified provisions.

13.2 **Waivers.** We will not be deemed to have waived our right to demand exact compliance with any of the terms of this **Agreement**, even if at any time: (a) we do not exercise a right or power available to us under this **Agreement**; or (b) we do not insist on your strict compliance with the terms of this **Agreement**; (c) there develops a custom or practice which is at variance with the terms of this **Agreement**; or (d) if we accept payments which are otherwise due to us under this **Agreement**. Similarly, our waiver of any particular breach or series of breaches under this **Agreement** or of any similar term in any other agreement between you and us or between us and any other franchise owner, will not affect our rights with respect to any later breach by you or anyone else. Any waiver we may grant to you will, without any prejudice to you and without any obligation our part to compensate you, be subject to our continuing review, and may be revoked by us, at any time and for any reason, effective upon our notice to you of our revocation of the waiver.

13.3 **Limitation of Liability.** Neither of the parties will be liable for loss or damage or deemed to be in breach of this **Agreement** if failure to perform obligations results from:

- (a) **Compliance with Laws.** Compliance with any law, ruling, order, regulation, requirement or instruction of any federal, state or municipal government or any department or agency thereof;
- (b) **Acts of God.** Acts of God, terror, war or similar events;
- (c) **Acts or Omissions.** Acts or omissions of a similar event or cause.

However, such events or delays do not excuse payments of amounts owed at any time.

13.4 **Approval and Consents.** Whenever this **Agreement** requires our advance approval, agreement or consent, you agree to make a timely written request for it. Our approval or consent will not be valid unless it is in writing. If we provide to you any waiver, approval, consent, or suggestion, or if we neglect or delay our response or deny any request for any of those, we will not be deemed to have made any warranties or guarantees which you may rely on, and will not assume any liability or obligation to you.

13.5 **Waiver of Punitive Damages.** Except for your obligations to indemnify us and claims for unauthorized use of the marks or the confidential information, you and we each waive to the full extent permitted by law any right to, or claim for, any punitive or exemplary damages against the other. You and we also agree that, in the event of a dispute between you and us, the party making a claim will be limited to equitable relief and recovery of any actual damages it sustains.

13.6 **Limitations of Claims.** ANY AND ALL CLAIMS ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP AMONG YOU AND US MUST BE MADE BY WRITTEN NOTICE TO THE OTHER PARTY WITHIN 1 YEAR FROM THE OCCURRENCE OF THE FACTS GIVING RISE TO SUCH CLAIM (REGARDLESS OF WHEN IT BECOMES KNOWN); EXCEPT FOR CLAIMS ARISING FROM: (A) UNDER-REPORTING OF GROSS REVENUES; (B) UNDER-PAYMENT OF AMOUNTS OWED TO US OR OUR AFFILIATES; (C) CLAIMS FOR INDEMNIFICATION; AND/OR (D) UNAUTHORIZED USE OF THE MARKS. HOWEVER, THIS PROVISION DOES NOT LIMIT THE RIGHT TO TERMINATE THIS AGREEMENT IN ANY WAY.

13.7 **Governing Law.** EXCEPT TO THE EXTENT THIS AGREEMENT OR ANY PARTICULAR DISPUTE IS GOVERNED BY THE U.S. TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. §1051 AND THE SECTIONS FOLLOWING IT) OR OTHER FEDERAL LAW, THIS AGREEMENT AND THE FRANCHISE ARE GOVERNED BY FLORIDA LAW WITHOUT REGARD TO ITS CONFLICT OF LAWS PRINCIPLES, EXCLUDING ANY LAW REGULATING THE SALE OF FRANCHISES OR BUSINESS OPPORTUNITIES OR GOVERNING THE RELATIONSHIP BETWEEN A FRANCHISOR AND FRANCHISE OWNER OR BUSINESS OPPORTUNITY SELLER AND PURCHASER, UNLESS THE JURISDICTIONAL REQUIREMENTS OF SUCH LAWS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS SECTION. References to any law or regulation also refer to any successor laws or regulations and any implementing regulations for any statute, as in effect at the relevant time. References to a governmental agency also refer to any successor regulatory body that succeeds to the function of such agency.

13.8 **Jurisdiction.** YOU AND WE CONSENT, AND IRREVOCABLY SUBMIT TO, THE EXCLUSIVE JURISDICTION AND VENUE OF THE STATE OR FEDERAL COURTS OF COMPETENT JURISDICTION LOCATED IN HILLSBOROUGH COUNTY, FLORIDA, AND WAIVE ANY OBJECTION TO THE JURISDICTION AND VENUE OF SUCH COURTS. THE EXCLUSIVE CHOICE OF JURISDICTION DOES NOT PRECLUDE THE BRINGING OF ANY ACTION BY THE PARTIES OR THE ENFORCEMENT BY THE PARTIES IN ANY JUDGMENT OBTAINED IN ANY SUCH JURISDICTION, IN ANY OTHER APPROPRIATE JURISDICTION.

13.9 **Waiver of Jury Trial.** YOU AND WE EACH IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER YOU OR US.

13.10 **Cumulative Remedies.** The rights and remedies provided in this **Agreement** are cumulative and neither you nor we will be prohibited from exercising any other right or remedy provided under this **Agreement** or permitted by law or equity.

13.11 **Costs and Attorneys' Fees.** If a claim for amounts owed by you to us or any of our affiliates is asserted in any legal or arbitration proceeding or if either you or we are required to enforce this Agreement in a judicial or arbitration proceeding, the party prevailing in such proceeding will be entitled to reimbursement of its costs and expenses, including reasonable accounting and attorneys fees. Attorneys fees will include, without limitation, reasonable legal fees charged by attorneys, paralegal fees, and costs and disbursements, whether incurred prior to, or in preparation for, or contemplation of, the filing of written demand or claim, action, hearing, or proceeding to enforce the obligations of the parties under this Agreement.

13.12 **Binding Effect.** This **Agreement** is binding on and will inure to the benefit of our successors and assigns. Except as otherwise provided in this **Agreement**, this **Agreement** will also be binding on your successors and assigns, and your heirs, executors and administrators.

13.13 **Entire Agreement.** This **Agreement**, including the introduction, addenda and exhibits to it, constitutes the entire agreement between you and us. There are no other oral or written understandings or agreements between you and us concerning the subject matter of this **Agreement**. Notwithstanding the foregoing, nothing in this **Agreement** is intended to disclaim the representations we made in the Franchise Disclosure Document that we furnished to you. Except as expressly provided otherwise in this **Agreement**, this **Agreement** may be modified only by written agreement signed by both you and us.

13.14 **No Liability to Others; No Other Beneficiaries.** We will not, because of this **Agreement** or by virtue of any approvals, advice or services provided to you, be liable to any person or legal entity who is not a party to this **Agreement**. Except as specifically described in this **Agreement**, no other party has any rights because of this **Agreement**.

13.15 **Construction.** The headings of the sections are for convenience only. If two or more persons are at any time franchise owners hereunder, whether or not as partners or joint venturers, their obligations and liabilities to us are joint and several. This Agreement may be signed in multiple copies, each of which will be an original. "A or B" means "A" or "B" or both.

13.16 **Certain Definitions.** The term "**Family Member**" refers to parents, spouses, offspring and siblings, and the parents and siblings of spouses. The term "**Affiliate**" means any **Business Entity** directly or indirectly owned or controlled by a person, under common control with a **Person** or controlled by a **Person**. The terms "**Developer**, franchisee, franchise owner, you and your" are applicable to one or more persons, a **Business Entity**, as the case may be. The singular use of any pronoun also includes the plural and the masculine and neuter usages include the other and the feminine. The term "person" includes individuals and **Business Entities**. The term "**Section**" refers to a section or subsection of this Agreement. The word "**Control**" means the power to direct or cause the direction of management and policies. The word "**Owner**" means: any person holding a direct or indirect, legal or beneficial ownership interest or voting rights in another person (or a transferee of this **Agreement** or an interest in you), and the officers, directors partners, members or holders of a beneficial interest in any person who has 5% or more a direct or indirect beneficial interest in you or this **Agreement** and any person who has any other legal or equitable interest, or the power to vest in himself any legal or equitable interest, in the revenue, profits, rights or assets.

13.17 **Timing is of the Essence.** It will be a material breach of this **Agreement** to fail to perform any obligation within the time required or permitted by this **Agreement**. In computing time periods from one date



to a later date, the words "from" and "commencing on" (and the like) mean "from and including"; and the words "to," "until" and "ending on" (and the like) mean "to but excluding." Indications of time of day mean Florida time.

13.18 **Mediation.** During the term of this **Agreement**, certain disputes may arise between you and us that may be resolvable through mediation. To facilitate such resolution, you and we agree each party must, before commencing any litigation proceeding, submit the dispute to non-binding mediation at a mutually agreeable location (if you and we cannot agree on a location, the mediation will be conducted at our headquarters) to 1 mediator, appointed under the American Arbitration Association's Commercial Mediation Rules. The mediator will conduct the mediation in accordance with those rules. You and we agree that any statements made by either you or us any such mediation proceedings will not be admissible in any subsequent arbitration or legal proceeding. Each party will bear its own costs and expenses of conducting the mediation and share equally the cost of any third parties who are required to participate. Nevertheless, both you and we have the right in a proper case to obtain temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction without first seeking mediation. However, the parties must immediately and contemporaneously submit the dispute for non-binding mediation.

13.19 **Notices and Payments.** Any notices and reports required or permitted to be given under this **Agreement** or by the Manuals must be in writing; must be delivered to the other party personally, by certified mail (and return receipt requested, postage prepaid), by documented overnight delivery with a reputable carrier; and, will be effective on the date that delivery is documented to have been first attempted. We may direct notices to your affiliates to you. All such notices must be addressed to the parties as follows:

If to Us: FSC FRANCHISE CO., LLC  
5660 W. Cypress Street, Suite A,  
Tampa, Florida 33607  
Attention: Legal Department/Brandy Hardy

If to You: \_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

Either you or we may change the address for delivery of all notices and reports and any such notice will be effective within 10 business days of any change in address. Any required payment or report not actually received by us during regular business hours on the date due (or postmarked by postal authorities at least 2 days prior to such due date, or in which the receipt from the commercial courier service is not dated at least 1 day prior to such due date) will be deemed delinquent.

The parties to this **Agreement** now sign and deliver this **Agreement** in 2 counterparts effective as of the date shown on page 1, regardless of the actual date of signature.

**FSC FRANCHISE CO., LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**DEVELOPER**

**INDIVIDUALS:**

\_\_\_\_\_  
[Signature]  
\_\_\_\_\_  
[Print Name]

\_\_\_\_\_  
[Signature]  
\_\_\_\_\_  
[Print Name]

**CORPORATION, PARTNERSHIP OR LIMITED LIABILITY COMPANY**

\_\_\_\_\_  
[Name]  
By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT “A”**  
**GLOSSARY**

This Glossary is intended as a general guideline to assist you in reading the Area Development Agreement. You must review the Area Development Agreement to get an exact definition of a term.

<b>TERM</b>	<b>DEFINITION</b>
<b>Affiliate</b> <b>Section 13.16</b>	Any Business Entity directly or indirectly owned or controlled by a person.
<b>Agreement</b> <b>Introductory</b> <b>Paragraph</b>	The Area Development Agreement between you and us.
<b>Effective Date</b> <b>Introductory</b> <b>Paragraph</b>	The date of the Franchise Agreement.
<b>Business Entity</b> <b>Section 1.4</b>	A business organization like a corporation, limited liability company or partnership.
<b>Claims</b> <b>Section 12.4</b>	All obligations, damages (actual, consequential or otherwise) and costs reasonably incurred in the defense of any claim against any of the Indemnified Parties including, without limitation, reasonable accountants', arbitrators', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of litigation, arbitration or alternative dispute resolution and travel and living expenses.
<b>Competitive Businesses</b> <b>Section 7.3</b>	Any bar, sports pub, restaurant, food service facility or other business that features menu items, products and/or services similar to any of the menu items, products and/or services offered by the Family Sports Pubs, including, by way of example and without limitation, any restaurant, bar or catering service that offers chicken wings, beef, hamburgers, chicken, or sandwiches or any bar which operates as a sports pub (other than a Family Sports Pub under a franchise agreement with us).

<b>TERM</b>	<b>DEFINITION</b>
<b>Confidential Information Section 7.1</b>	Our confidential information relating to the development and operation of Family Sports Pubs including: (i) the System and the know-how related to its use; (ii) plans, specifications, size and physical characteristics of Family Sports Pubs; (iii) site selection criteria, land use and zoning techniques and criteria; (iv) methods in obtaining licensing and meeting regulatory requirements; (v) sources, design and methods of use of equipment, furniture, forms, materials, supplies, Websites, Internet or Intranet, "business to business" or "business to customer" networks or communities and other e-commerce methods of business; (vi) marketing, advertising and promotional programs for Family Sports Pubs; (vii) staffing and delivery methods and techniques for personal services; (viii) the selection, testing and training of managers and other employees for Family Sports Pubs; (ix) the recruitment, qualification and investigation methods to secure employment for employment candidates; (x) the Computer System and any computer software and related passwords we make available or recommend for Family Sports Pubs; (xi) methods, techniques, formats, specifications, procedures, information and systems related to and knowledge of and experience in the development, operation and franchising of Family Sports Pubs; (xii) knowledge of specifications for and identities of and suppliers of certain products, materials, supplies, furniture, furnishings and equipment; (xiii) recipes, formulas, preparation methods and serving techniques; and (xiv) knowledge of operating results and financial performance of Family Sports Pubs other than those operated by you (or your affiliates).
<b>Control Section 13.16</b>	The power to direct or cause the direction of management and policies.
<b>Developer Introductory Paragraph</b>	You
<b>Development Fee Section 4.1</b>	The fee that you must pay us when you sign the Franchise Agreement equal to \$17,500 time the number of Family Sports Pubs required to be developed in the Exclusive Area.
<b>Development Periods Section 3.3(b)</b>	The time periods within which you must commence construction of, development and open Family Sports Pubs.
<b>Development Schedule Section 3.3(b)</b>	The schedule within which your Family Sports Pubs must be developed.
<b>Exclusive Area Section 3.1(a)</b>	The geographic area in which you are granted the right develop Family Sports Pub.
<b>Family Sports Pubs Section 1.1</b>	The casual dining restaurants featuring and serving a variety of food and beverage products and services, including our approved beverage program, which includes beer and wine and hard liquor, in a distinctive and innovative environment that we have developed.
<b>Family Member Section 13.16</b>	Parents, spouses, offspring and siblings, and the parents and siblings of spouses.
<b>Franchise Agreements Section 2.1</b>	The franchise agreements between you and us to operate Family Sports Pubs.

<b>TERM</b>	<b>DEFINITION</b>
<b>Indemnified Parties</b> <b>Section 12.4</b>	Us, our affiliates our respective shareholders, directors, officers, employees, agents, successors and assigns that you agree to indemnify, defend and hold harmless from and against all claims, obligations and damages.
<b>Operating Partner(s)</b> <b>Section 6.1, 6.2</b>	If you are a Business Entity, the person having management rights and powers (e.g., officers, managers, partners, etc.).
<b>Marks</b> <b>Section 1.1</b>	The trade and service marks “Beef 'O' Brady’s®,” “O’Brady’s®,” “Beef’s®” and other associated logos, designs, artwork and trade dress and additional trademarks, service marks and commercial symbols that we use, promote and license in conjunction with the operation of Family Sports Pubs.
<b>Owner</b> <b>Section 13.16</b>	Any person holding a direct or indirect, legal or beneficial ownership interests or voting rights in another person (or a transferee of this Agreement or an interest in you), and the officers, directors, partners, members or holders of a beneficial interest in any person who has 5% or more a direct or indirect beneficial interest in you or this Agreement and any person who has any other legal or equitable interest, or the power to vest in himself any legal or equitable interest, in the revenue, profits, rights or assets.
<b>Person</b> <b>Section 13.16</b>	Individuals and Business Entities.
<b>Restricted Person</b> <b>Section 7.3(a)</b>	You or any of your Owners if you are a Business Entity.
<b>Section</b> <b>Section 13.16</b>	A section or subsection of this Agreement.
<b>Sites</b> <b>Section 3.3(a)</b>	The location and premises for your Family Sports Pubs that we have approved.
<b>Successor Agreement</b> <b>Section 2.2</b>	The successor area development agreement that you and we may enter into if both parties determine that additional Family Sports Pubs should be developed in your Exclusive Area and you meet all of our conditions.
<b>Successor Development Schedule</b> <b>Section 2.3</b>	The schedule within which your Family Sports Pubs under your Successor Agreement must be developed.
<b>System</b> <b>Section 1.1</b>	The distinctive business formats, methods, procedures, designs, layout, signs, equipment, menus, recipes, trade dress, standards and specifications we have developed and may improve, further develop or otherwise modify from time to time under which the Family Sports Pubs operate.
<b>System Standards</b> <b>Section 8.1</b>	Mandatory and suggested specifications, standards, operating procedures and rules that we prescribe for operation of a Family Sport Pub.
<b>Transfer</b> <b>Section 11.2</b>	You, or your Owners, voluntary, involuntary, direct or indirect assignment, sale, gift or other disposition of any interest in: (i) the Franchise Agreement; (ii) you; or (iii) any Franchise Agreement.

**EXHIBIT “B” TO THE AREA DEVELOPMENT AGREEMENT**

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**FORM OF  
CONFIDENTIALITY, NONSOLICITATION  
AND NONCOMPETITION AGREEMENT  
FOR AREA DEVELOPMENT AGREEMENT**

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**CONFIDENTIALITY, NONSOLICITATION  
AND NONCOMPETITION AGREEMENT**

**NAME:** \_\_\_\_\_  
**DEVELOPER:** \_\_\_\_\_  
**HOME ADDRESS:** \_\_\_\_\_  
\_\_\_\_\_  
**HOME TELEPHONE:** \_\_\_\_\_  
**CLASSIFICATION:** \_\_\_\_\_  
**(Owner, Shareholder, Officer,  
Director, Attorney, Employee, Etc.)**

\_\_\_\_\_ ("Developer") is a developer of FSC Franchise Co., LLC ("Franchisor") pursuant to a Area Development Agreement entered into by Developer and Franchisor dated \_\_\_\_\_ (the "Area Development Agreement"). I agree that, unless otherwise specified, all terms in this Agreement have those meanings ascribed to them in the Area Development Agreement.

I agree that during the term of my employment by, ownership participation in, association with or service to Developer, or at any time thereafter, I will not communicate, divulge or use for the benefit of any other person, persons, partnership, proprietorship, association, corporation or entity any confidential information, knowledge or know-how concerning the systems of operation, services, products, clients or practices of Developer and/or Franchisor which may be communicated to me ("Confidential Information"), and I will not divert any business to competitors of Developer and/or Franchisor.

Any and all information, knowledge, know-how, techniques and information which the entities mentioned above or their officers designate as confidential will be Confidential Information for the purposes of this Agreement, except information which I can demonstrate came to my attention before disclosure or which had become or becomes a part of the public domain through publication or communication by others (unless the publication or communication is in violation of a similar confidentiality agreement), but in no event through any act of mine.

I will at no time copy, duplicate, record or otherwise reproduce any of the Confidential Information or material containing it, in whole or in part, store them in a computer retrieval or data base, nor otherwise make the them available to any unauthorized person. Upon the expiration or other termination for any reason of my employment, association, service or ownership participation, I agree to return to Franchisor or Developer, as the case may be, all Confidential Information or material containing it (in whole or in part) in my possession utilized during my employment, association, service or ownership participation.

I further agree that during the term of my employment, association, service or ownership participation, and under the circumstances set forth in the following paragraph, for a period of two years immediately following its expiration or termination for any reason, I will not, directly or indirectly engage or participate in any Competitive Business, as defined below. I agree that I am prohibited from engaging in any Competitive Business as a proprietor, partner, investor, shareholder, director, officer, employee, principal, agent, advisor, or consultant.

The term "Competitive Business" means any business or facility owning, operating, managing or granting franchises or licenses to others to own, operate or manage, any bar, sports pub, restaurant, food service facility or other business that features menu items, products and/or services similar to any of the menu items, products and/or services offered by the Family Sports Pubs, including, by way of example and without limitation, any restaurant, bar or catering service

that offers chicken wings, beef, hamburgers, chicken, or sandwiches or any bar which operates as a sports pub (other than a Family Sports Pub under a franchise agreement with us)

For a period of two years immediately following the expiration or termination of my employment, association, service or ownership participation, I am prohibited from engaging in any Competitive Business, if the other business is located at any of Developer's Sites or within Developer's Exclusive Area; within fifteen miles of any of Developer's Sites or Developer's Exclusive Area, or, within fifteen miles of any other Family Sports Pub planned, in operation or under construction on the later of the effective date of the termination or expiration of the Area Development Agreement.

It is the intention of these provisions to preclude not only direct competition but also all forms of indirect competition, such as consultation for Competitive Businesses, service as an independent contractor for Competitive Businesses, or any assistance or transmission of information of any kind which would be of any material assistance to a competitor. Nothing herein will prevent me from owning for investment purposes up to an aggregate of 5% of the capital stock of any Competitive Business, so long as the Competitive Business is a publicly held corporation whose stock is listed and traded on a national or regional stock exchange, or through the National Association of Securities Dealers Automated Quotation System (NASDAQ), and so long as I or Developer do not control the company in question.

It is the intention of these provisions that any person or entity having any legal or beneficial interest in or traceable to, down or through me to be bound by the provisions of this covenant, including (without limitation) my spouse, brother, brother-in-law, sister, sister-in-law, parent, parent-in-law, child, son-in-law or daughter-in-law; any direct or indirect beneficiary; any partner (general or limited) or proprietor of mine; and, any other such related person or entity, regardless of how many levels or tiers there may be between any such described person or entity and me. I further agree that upon the expiration or termination of my term of employment/service/association, I will immediately refrain from any and all contacts with customers, for any purpose whatsoever.

I further agree that I will not, on behalf of myself or any other person, or in any capacity associated with any other person or entity, solicit, divert, take away, or interfere with any of the business, customers, referral sources, clients, vendors, suppliers, or contractors of Franchisor or its affiliates (or of any of developers of Franchisor or its affiliates), of Developer or its affiliates or of any Family Sports Pub developers as may exist during the term of the Area Development Agreement or thereafter.

**I acknowledge that violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Franchisor and Developer for which no adequate remedy at law will be available. Accordingly, I hereby consent to the entry of an injunction procured by Franchisor or Developer (or both) prohibiting any conduct by me in violation of the terms of those covenants not to compete and/or restrictions on the use of confidential information set forth in this agreement. I expressly agree that it may conclusively be presumed in any legal action that any violation of the terms of these covenants not to compete was accomplished by and through my unlawful utilization of Franchisor's Confidential Information. Further, I expressly agree that any claims I may have against Franchisor will not constitute a defense to Franchisor's enforcement of the covenants not to compete set forth in this Agreement. I further agree to pay all costs and expenses (including reasonable attorneys' and experts' fees) incurred by Franchisor in connection with the enforcement of those covenants not to compete set forth in this Agreement.**

If all or any portion of this covenant not to use confidential information and not to compete is held unreasonable, void, vague or illegal by any court or agency having valid



jurisdiction in an unappealed final decision to which Developer and/or Franchisor is a party, the court or agency will be empowered to revise and/or construe the covenant to fall within permissible legal limits, and should not invalidate the entire covenant. I expressly agree to be bound by any lesser covenant subsumed within the terms of this Agreement as if the resulting covenant were separately stated in and made a part of this Agreement.

I agree that this Agreement and all relations and disputes between myself on the one hand, and Developer or Franchisor on the other hand, whether sounding in contract, tort, or otherwise, are to be exclusively construed in accordance with and/or governed by (as applicable) the law of the State of Florida without recourse to Florida (or any other) choice of law or conflicts of law principles. If, however, any provision of this Agreement would not be enforceable under the laws of Florida, and if the franchised Business is located outside of Florida and the provision would be enforceable under the laws of the state in which the franchised Business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Agreement is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of Florida or any other state, which would not otherwise apply.

I further agree that any litigation arising out of or related to this Agreement; any breach of this Agreement; and, all relations and any and all disputes between myself on the one hand, and Developer or Franchisor on the other hand, whether sounding in contract, tort, or otherwise, will be instituted exclusively in a court of competent jurisdiction in Hillsborough County, Florida. I agree that any dispute as to the venue for this litigation will be submitted to and resolved exclusively by a court of competent jurisdiction situated in Hillsborough County, Florida.

I hereby waive and covenant never to assert or claim that said venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

Witnessed By:

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
Witness/Date

\_\_\_\_\_

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**EXHIBIT "J"**  
**TO THE FSC FRANCHISE CO., LLC**  
**FRANCHISE DISCLOSURE DOCUMENT**

**FRANCHISE AGREEMENT**

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**DATE**

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**FRANCHISEE**

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**FAMILY SPORTS PUB NUMBER**

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**ADDRESS OF FAMILY SPORTS PUB**

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**EXHIBITS:**

<b>Exhibit A:</b>	<b>Center, Site Selection Area and Protected Territory</b>
<b>Exhibit B:</b>	<b>Glossary</b>
<b>Exhibit C:</b>	<b>Form of Conditional Assignment of Telephone Numbers and Listings</b>
<b>Exhibit D:</b>	<b>Form of Conditional Assignment and Assumption of Lease</b>
<b>Exhibit E:</b>	<b>Form of Principal Owner's Guaranty</b>
<b>Exhibit F:</b>	<b>Form of Principal Owner's Statement</b>
<b>Exhibit G:</b>	<b>Key-Employee Manager Confidentiality Agreement</b>
<b>Exhibit H:</b>	<b>Confidentiality, Nonsolicitation and Noncompetition Agreement for Franchise Agreement</b>

**FSC FRANCHISE CO., LLC**  
**FRANCHISE AGREEMENT**

**THIS FRANCHISE AGREEMENT** (the "**Agreement**") is effective as of \_\_\_\_\_, 20\_\_ (the "**Effective Date**"). The parties to this Agreement are **FSC FRANCHISE CO., LLC**, a Delaware limited liability company, with its principal business address at 5660 W. Cypress Street, Suite A, Tampa, Florida 33607 (referred to in this Agreement as "**Franchisor**," "**we**," "**us**" or "**our**"), and \_\_\_\_\_, whose principal business address is \_\_\_\_\_ (referred to in this Agreement as "**you**," "**your**" or "**Franchisee**").

**1. INTRODUCTION.**

1.1 **The Beef 'O' Brady's® Family Sports Pub System.** We and our affiliates have expended considerable time and effort in developing casual dining restaurants featuring and serving a variety of food and beverage products and services, including our approved beverage program, which includes beer and wine and hard liquor, in a distinctive and innovative sports pub environment ("**Family Sports Pubs**"). **Family Sports Pubs** operate under the **Marks** (defined below) and under distinctive business formats, methods, procedures, designs, layouts, signs, equipment, menus, recipes, trade dress, standards and specifications, all of which we may improve, further develop or otherwise modify from time to time (collectively, the "**System**").

We use, promote and license certain trademarks, service marks and other commercial symbols in the operation of **Family Sports Pubs**, including the trade name, trademarks and service marks "**Beef 'O' Brady's®**", "**Beef's®**", "**O' Brady's®**" and other associated design marks and logos (such as our "**Beef 'O' Brady's®**" mustache logo), designs, artwork and trade dress, which have gained and continue to gain public acceptance and goodwill, and we may create, use and license additional trademarks, service marks and commercial symbols in conjunction with the operation of **Family Sports Pubs** (collectively, the "**Marks**"). We grant to persons who meet our qualifications and are willing to undertake the investment and effort, a franchise to own and operate a **Family Sports Pub** offering the products and services we authorize and approve and utilizing the System. You have applied for a franchise to own and operate a **Family Sports Pub**.

1.2 **Acknowledgments.** You acknowledge and agree that:

- (a) **Agreement.** You have read this **Agreement** and our Franchise Disclosure Document;
- (b) **Terms, Conditions and Covenants.** You understand and accept the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain our high standards of quality and service and the uniformity of those standards at each **Family Sports Pub** and to protect and preserve the goodwill of the **Marks**;
- (c) **Independent Investigation.** You have conducted an independent investigation of the business venture contemplated by this **Agreement** and recognize that, like any other business, the nature of the business conducted by a **Family Sports Pub** may evolve and change over time;
- (d) **Business Risks.** An investment in a **Family Sports Pub** involves business risks and that your business abilities and efforts are vital to the success of the venture;
- (e) **Representations.** Any information you acquire from other **Family Sports Pub** franchisees relating to their sales, profits or cash flows does not constitute information obtained from us, nor do we make any representation as to the accuracy of any such information;

(f) **Business Relationship.** In all of their dealings with you, our officers, directors, employees and agents act only in a representative, and not in an individual, capacity. All business dealings between you and such persons as a result of this Agreement are solely between you and us;

(g) **Attorney Review.** We have advised you to have this **Agreement** reviewed and explained to you by an attorney; and,

(h) **Timing of Disclosure.** We have provided to you a copy of our Franchise Disclosure Document at least 14 calendar days prior to the execution of the Franchise Agreement or our receipt of any consideration from you.

1.3 **Representations.** You represent to us, as an inducement to our entry into this **Agreement**, that all statements you have made and all materials you have submitted to us in connection with your purchase of the franchise are accurate and complete and that you have made no misrepresentations or material omissions in obtaining the franchise. We have approved your request to purchase a franchise partially in reliance on all of your representations.

1.4 **No Warranties.** We expressly disclaim the making of, and you acknowledge that you have not received or relied upon, any warranty or guaranty, express or implied, as to the revenues, sales, profits or success of the business venture contemplated by this **Agreement** or the extent to which we will continue to develop and expand the network of **Family Sports Pubs**. You acknowledge and understand the following:

(a) **Revenues, Sales or Profits.** Any statement regarding the potential or probable revenues, sales or profits of the business venture are made solely in the Franchise Disclosure Document delivered to you prior to signing this **Agreement**;

(b) **Unauthorized Representations.** Any statement regarding the potential or probable revenues, sales or profits of the business venture or statistical information regarding any existing **Family Sports Pub** owned by us or our affiliates or that is not contained in our Franchise Disclosure Document is unauthorized, unwarranted and unreliable and should be reported to us immediately; and

(c) **Notice of Exceptions.** You have not received or relied on any representations about us or our franchising program or policies made by us, or our officers, directors, employees or agents, that are contrary to the statements made in our Franchise Disclosure Document or to the terms of this **Agreement**. If there are any exceptions to any of the foregoing, you agree to: (i) immediately notify our chief executive officer; and (ii) note such exceptions by attaching a statement of exceptions to this **Agreement** prior to signing it.

1.5 **Business Organization.** If you are at any time a business organization ("**Business Entity**") (like a corporation, limited liability company or partnership) you agree and represent that:

(a) **Authority.** You have the authority to execute, deliver and perform your obligations under this **Agreement** and are duly organized or formed and validly existing in good standing under the laws of the state of your incorporation or formation;

(b) **Governing Documents.** Your organizational or governing documents will recite that the issuance and **Transfer** of any ownership interests by you are restricted by the terms of this **Agreement**, and all certificates and other documents representing ownership interests in you will bear a legend referring to the restrictions of this **Agreement**;

(c) **Principal Owners.** The Principal Owners Statement will completely and accurately describe all of your **Owners** and their interests in you. A copy of our current form of Principal Owners Statement is attached to this Agreement as **Exhibit F.**

(d) **Ownership Changes.** You and your **Owners** agree to revise the Principal Owners Statement as may be necessary to reflect any ownership changes and to furnish such other information about your organization or formation as we may request (any and all ownership changes must be approved by us in advance);

(e) **Guaranty.** Each of your **Owners** during the term of this **Agreement** will sign and deliver to us our standard form of Principal Owner's Guaranty undertaking to be bound jointly and severally by all provisions of this **Agreement** and any other agreements between you and us. A copy of our current form of Principal Owners Guaranty is attached to the this Agreement as **Exhibit E;** and

(f) **Documents and Contract.** At our request, you will furnish true and correct copies of all documents and contracts governing the rights, obligations and powers of your **Owners** and agents (like articles of incorporation or organization, and partnership, operating or shareholder agreements).

## 2. **GRANT AND TERM.**

2.1 **Term.** The term of the Franchise and this **Agreement** begins on the **Effective Date** and expires 10 years from the **Effective Date**. This **Agreement** may be terminated before it expires in accordance with its terms.

2.2 **Grant.** Subject to the terms of and upon the conditions contained in this **Agreement**, we grant you a franchise (the "**Franchise**") to: (a) operate a **Family Sports Pub** at the **Site**, and at no other location (temporary or permanent); (b) use the **Marks** solely in connection with operating the **Family Sports Pub**; and (c) use the **System** in its operation. As long as you are in compliance with this **Agreement**, we will not grant a franchise to anyone else to operate, or ourselves operate, a **Family Sports Pub** within the **Protected Territory**.

2.3 **Performance.** You agree that you will at all times faithfully, honestly and diligently perform your obligations, continuously exert your best efforts to promote and enhance the **Family Sports Pub** and not engage in any other business or activity that conflicts with your obligations to operate the **Family Sports Pub** in compliance with this **Agreement**. You may not operate the **Family Sports Pub** from any location other than the **Site** without our prior written consent. At all times, your **Two Designated Managers** must meet our qualifications for **Family Sports Pub** managers and participate personally on a daily basis in the direct operation of the **Family Sports Pub**. In addition, at all times the **Family Sports Pub** must be managed by a general manager and one other management level employee who both have satisfactorily completed **Beef's Boot Camp**.

2.4 **Rights We Reserve.** Notwithstanding any of the foregoing, we (and our affiliates) retain the right in our sole discretion to:

(a) **Protected Territory.** Establish, and grant to other franchisees the right to establish, **Family Sports Pubs** anywhere outside the **Protected Territory**, on such terms and conditions as we deem appropriate (even immediately outside the border of the **Protected Territory**), but not within the **Protected Territory** of your **Family Sports Pub** you open under this **Agreement** and continue to operate under it;

(b) **Competitive Business.** Operate, and grant franchises to others to operate businesses, whether inside or outside the **Protected Territory**, specializing in the sale of products or provision of services, other than a **Competitive Business** (as defined in **Section 10**) or a **Family Sports Pub**, using certain of the **Marks** and pursuant to such terms and conditions as we deem appropriate;

(c) **Marks**. Operate, and grant franchises to others to operate businesses or provide other services, whether inside or outside the **Protected Territory**, that do not use any of the **Marks**; and

(d) **Channels of Distribution**. Market and sell, inside and outside of the **Protected Territory**, through channels of distribution other than full service **Family Sports Pubs** (like mail order, Internet or Intranet, Website or other forms of e-commerce or grocery, retail or convenience stores or kiosks), or through special purpose sites including sites at which access to the general public is limited (including, but not limited to, golf courses, school campuses, colleges, universities, on-campus food outlets, train stations, casinos, airports, stadiums, theme parks, military bases, etc.) goods and services competitive with goods and services offered by **Family Sports Pubs**, under the **Marks** or under trade names, service marks or trademarks other than Marks, except that we may compensate you for doing so in such amounts and in such manner as we determine from time to time.

(e) **Merger or Acquisition**. Purchase, merge, acquire, be acquired by or affiliate with an existing competitive or non-competitive franchise or non-franchise network, chain or any other business regardless of the location of that other business' facilities, and that following such activity we may operate, franchise or license those other businesses and/or facilities under any names or marks other than, while this **Agreement** is in effect, the **Marks**, regardless of the location of these businesses and/or facilities, which may be within the **Protected Territory** or immediately outside its border.

(f) **Media**. Market on the Internet and use the **Marks** on the Internet, including all use of websites, domain names, URLs, directory addresses, email addresses, metatags, linking, advertising, co-branding and other arrangements, and in all other forms of electronic media.

### 3. **SUCCESSOR TERMS.**

3.1 **Your Right to Acquire a Successor Franchise**. This **Agreement** expires 10 years from the **Effective Date**. Upon expiration, if you (and each of your **Owners**) have substantially complied with this **Agreement** during its term, and provided that:

(a) **Remodeling**. You maintain possession of and agree to remodel and/or expand the **Family Sports Pub**, add or replace improvements, equipment and signs and otherwise modify the **Family Sports Pub** as we require to bring it into compliance with specifications and standards then applicable for **Family Sports Pubs**, or

(b) **Possession**. If you are unable to maintain possession of the Site, or if in our judgment the **Family Sports Pub** should be relocated, you secure substitute premises we approve, develop such premises in compliance with specifications and standards then applicable for **Family Sports Pubs** and continue to operate the **Family Sports Pub** at the **Site** until operations are transferred to the substitute premises,

then, subject to the terms and conditions set forth in this **Section 3**, you will have the right to acquire 2 successor franchises to operate the **Family Sports Pub** as a **Family Sports Pub** (each a "**Successor Franchise**"), for additional 5-year periods on the terms and conditions of the franchise agreement we are then using in granting **Successor Franchises** for **Family Sports Pubs** (a "**Successor Franchise Agreement**"), which may contain materially different terms and conditions than this **Agreement**.

### 3.2 **Grant of a Successor Franchise**.

(a) **Your Election**: You agree to give us written notice of your election to acquire a **Successor Franchise** during the first 90 days of the 9th year of the term of this Agreement or during the first 90 days of the 4th year of the term of any 5 year **Successor Franchise**. We agree to give you written notice ("**Response Notice**"), not more than 90 days after we receive your notice, of our decision: (i) to grant

you a **Successor Franchise**; (ii) to grant you a **Successor Franchise** on the condition that deficiencies of the **Family Sports Pub**, or in your operation of the **Family Sports Pub**, are corrected; or (iii) not to grant you a **Successor Franchise** based on our determination that you and your **Owners** have not substantially complied with this **Agreement** during its term.

(b) **Response Notice:** If applicable, our **Response Notice** will: (i) describe the remodeling and/or expansion of the **Family Sports Pub** and other improvements or modifications required to bring the **Family Sports Pub** into compliance with then applicable specifications and standards for **Family Sports Pubs**; and (ii) state the actions you have to take to correct operating deficiencies and the time period in which such deficiencies must be corrected. If we elect not to grant a **Successor Franchise**, the **Response Notice** will describe the reasons for our decision. Your right to acquire a **Successor Franchise** is subject to your continued compliance with all of the terms and conditions of this **Agreement** through the date of its expiration, in addition to your compliance with the obligations described in the **Response Notice**.

(c) **Deficiencies:** If our **Response Notice** states that you must cure certain deficiencies of the **Family Sports Pub** or its operation as a condition to the grant of a **Successor Franchise**, we will give you written notice of a decision not to grant a **Successor Franchise** unless you cure such deficiencies, not less than 90 days prior to the expiration of this **Agreement**. However, we will not be required to give you such notice if we decide not to grant you a **Successor Franchise** due to your breach of this **Agreement** during the 90 day period prior to its expiration. If we fail to give you: (i) notice of deficiencies in the **Family Sports Pub**, or in your operation of the **Family Sports Pub**, within 90 days after we receive your timely election to acquire a **Successor Franchise**; or (ii) notice of our decision not to grant a **Successor Franchise** at least 90 days prior to the expiration of this **Agreement**, if such notice is required; we may extend the term of this **Agreement** for such period of time as is necessary in order to provide you with either reasonable time to correct deficiencies or 90 days notice of our refusal to grant a **Successor Franchise**.

3.3 **Agreements/Releases.** If you satisfy all of the other conditions to the grant of a **Successor Franchise**, you and your **Owners** agree to execute the form of franchise agreement and any ancillary agreements we are then customarily using in connection with the grant of **Successor Franchises** for **Family Sports Pubs** ("**Successor Franchise Agreement**"). You and your **Owners** further agree to execute general releases, in the form attached to the Franchise Disclosure Document, of any and all claims against us and our shareholders, officers, directors, employees, agents, successors and assigns. Failure by you or your **Owners** to sign such agreements and releases and deliver them to us for acceptance and execution within 60 days after their delivery to you will be deemed an election not to acquire a **Successor Franchise**.

3.4 **Training and Refresher Programs.** Our grant of a **Successor Franchise** is also conditioned on the satisfactory completion by you (or **Two Designated Managers** approved by us) of any new training and refresher programs as we may reasonably require. You are responsible for travel, wages and living costs of attendees.

3.5 **Fees and Expenses.** Our grant of a **Successor Franchise** is contingent on your payment to us of a **Successor Franchise** fee equal to 20% of our then-current **Franchise Fee**. We must receive the fee from you when you sign the **Successor Franchise Agreement**.

3.6 **Subsequent Successor Franchises.** The fees and other conditions for any later granting of subsequent **Successor Franchises** will be governed by the **Successor Franchise Agreement** (as described above).

#### 4. **SITE SELECTION AND DEVELOPMENT.**

4.1 **Site/Protected Territory.** You have applied for a franchise to own and operate a **Family Sports Pub** only at a location we have approved (the "**Site**"). During the period ending on the 180<sup>th</sup> day



following the **Effective Date** (the “**Site Selection Period**”), you must identify, submit to us for approval, and obtain our approval of the Site. During the **Site Selection Period**, we will not ourselves, nor grant a franchise to someone else to, open and operate a **Family Sports Pub** at a fixed location inside the **Site Selection Area**. During the **Site Selection Period**, you must adhere to the following time schedule:

(a) **Site Selection Area**: During the first 60 days of the **Site Selection Period**, you must obtain our approval of an intersection of streets or other landmark that will form the center (the “**Center**”) of the Site Selection Area. The Site Selection Area (the “**Site Selection Area**”) will, following our approval of the **Center**, consist of the geographic area within a 3-mile radius of the **Center**. When the **Center** and **Site Selection Area** are determined, we will complete **Exhibit A** and provide a copy of it to you.

(b) **Site Identification**: Prior to the 180<sup>th</sup> day following the **Effective Date**, you must identify your proposed **Site** (which must be located within the **Site Selection Area**) and submit it to us for our approval. If we notify you that we will not approve that proposed **Site**, you must, within the next 30 days of our notice rejecting that proposed **Site** (but prior to the expiration of the **Site Selection Period**), identify and submit to us an alternative proposed **Site**, for our review and approval within the **Site Selection Area**.

(c) **Site Approval**: We are not obligated to evaluate or approve any proposed **Site** submitted to us for approval after the expiration of the **Site Selection Period** or outside the **Site Selection Area**. Once you have identified the **Site** and we have approved it, and the lease has been reviewed and is acceptable to us, we will complete **Exhibit A** and provide it to you. If you have not identified and obtained our approval of a **Site** prior to signing this **Agreement**, you (with or without our assistance) must, within the **Site Selection Period**, identify, submit to us and obtain our approval (in our sole judgment) of a **Site** for your **Family Sports Pub** located within the **Site Selection Area**. However, if as of the expiration of the **Site Selection Period** we have yet to notify you whether we will approve or disapprove a **Site** that was submitted to us for review during the **Site Selection Period**, we will have 30 days following the end of the **Site Selection Period** to notify you of our decision to approve or disapprove that proposed **Site**. If we do not approve a **Site** during that 30 day period following the **Site Selection Period**, we will not be obligated to permit you to submit an alternative proposed **Site** to us.

(d) **Protected Territory**: Upon our approval of the **Site** and lease, we will designate the “**Protected Territory**” which will consist of the geographic area within a 3-mile radius of the front door of the **Site**. After our approval of the **Site**, and the lease has been reviewed and is acceptable to us, we will insert that **Site** and the **Protected Territory** into **Exhibit A** and send a copy to you.

(e) **Relocation**: You may not operate or relocate the **Family Sports Pub** from any location other than the **Site** without our prior written consent, which may be withheld or denied in our sole discretion. If we approve the new **Site** of the **Family Sports Pub**, you have nine (9) months from the date of our approval of the new **Site** in which to secure the new **Site** and to open and operate the **Family Sports Pub** at the new **Site**. Once you have identified the new **Site** and we have approved it, and the lease has been reviewed and is acceptable to us, we will prepare a new copy of **Exhibit A** and provide it to you. If you fail to secure the new **Site** within nine (9) months of the date of our approval of the new **Site**, we shall have the right to estimate and bill you for continuing **Royalties** and other fees for the time period following the nine (9) months based upon your **Adjusted Gross Sales** at the **Family Sports Pub** during the identical period(s) of the last preceding calendar year plus an additional ten percent (10%) of such amount or, if the **Family Sports Pub** was not in operation during the identical period of the last preceding year, based upon your average **Adjusted Gross Sales** during the number of months the **Family Sports Pub** was in operation plus an additional ten percent (10%) of such amount.

4.2 **Site Evaluation**. Each proposed **Site** must be evaluated by us or by a professional site analyst that we have approved. The **Site** must be approved by us. We will by delivery of written notice to you approve

or disapprove a **Site** you propose for a **Family Sports Pub** within 30 days. You acknowledge and agree that any advice we give you regarding selection of your **Site**, **Site Selection Area** or any **Protected Territory** (whether as part of our **System** or **Manuals**, in response to your proposals or inquiries, or otherwise); our proposal or suggestion of any **Site**, the **Site Selection Area** or any **Protected Territory**; and/or, our exercise of our rights of inspection or approval, are not meant to be relied on or construed in any way as a representation, express or implied warranty, or any other indicia of the prospective profitability, viability or merit of any location. You waive, release and discharge any claim to the contrary.

#### 4.3 **Lease of Site.**

(a) **Lease of Site:** You agree to deliver copies of the proposed lease agreement and related documents to us prior to signing them. You agree not to sign any lease agreement or related documents (or any renewal of it) unless we have previously approved them. Our approval, which will not be unreasonably withheld, will be limited to ensuring that the lease is consistent with this **Agreement**. If we approve the lease, you agree to deliver a copy of the signed lease to us within 15 days after its execution along with the **Lease Assignment**.

(b) **Lease Assignment:** When entering into such a lease, you and the lessor must sign our then-current form of Conditional Assignment of Lease Agreement (the "**Lease Assignment**"). You will give the lessor our forms of the **Lease Assignment** when you begin discussions with the prospective lessor. You agree not to sign any lease or renewal of a lease unless you have also obtained the **Lease Assignment** signed by the lessor.

(c) **Mandatory Lease Terms:** We may require that the lease or any renewal contain certain provisions, including the following: (i) a provision which expressly permits the lessor of the **Site** to provide us with all revenue and other information it may have related to the operation of your **Family Sports Pub** as we may request; (ii) a provision which requires the lessor to contemporaneously provide us with copies of any written notice of default under the lease sent to you and which grants to us, at our option, the right (but not the obligation) to cure any default under the lease (should you fail to do so) within 15 days after the expiration of the period in which you may cure the default; (iii) a provision which evidences your right to display the **Marks** in accordance with the specifications required by the **Confidential Operating Manuals**, subject only to the provisions of applicable law; (iv) a provision which requires that any lender or other person will not disturb your possession of the **Site** so long as the lease term continues and you are not in default (along with such documents as are necessary to ensure that such lenders and other persons are bound); (v) a provision which expressly states that any default under the lease which is not cured within any applicable cure period also constitutes grounds for termination of this **Agreement**; (vi) a lease term which is at least equal to the initial term of this **Agreement**, either through an initial term of that length or rights, at your option, to renew the lease for the full term of this **Agreement**; and (vii) the premises must be operated as a **Family Sports Pub**.

(d) **No Warranty:** You acknowledge that our approval of the lease for the **Site** does not constitute a guarantee or warranty, express or implied, of the successful operation or profitability of a **Family Sports Pub** operated at the **Site**. Such approval indicates only that we believe that the **Site** and the terms of the lease fall within the acceptable criteria we have established as of the time of our approval. You further acknowledge that we have advised you to have an attorney review and evaluate the lease.

4.4 **Ownership and Financing.** Instead of leasing a **Site**, you may propose to purchase, construct, own and operate a **Family Sports Pub** on real property owned by you or through affiliates. You will meet certain conditions if you or your affiliates own a **Site** or at any time prior to acquisition, or subsequently, you or your affiliates propose to obtain any financing with respect to the **Site** or for your **Family Sports Pub** or for any **Operating Assets** in which any of such items are pledged as collateral securing your performance. The form of

any purchase contract with the seller of a **Site** and any related documents, and the form of any loan agreement with or mortgage in favor of any lender and any related documents, must be approved by us before you sign them. Our consent to them may be conditioned upon the inclusion of various terms and conditions, including the following:

(a) **Notice.** A provision which requires any lender or mortgagee concurrently to provide us with a copy of any written notice of deficiency or default under the terms of the loan or mortgage sent to you or your affiliates or the purchaser;

(b) **Option to Cure.** A provision granting us, at our option, the right (but not the obligation) to cure any deficiency or default under the loan or mortgage (should you fail to do so) within 15 days after the expiration of a period in which you may cure such default or deficiency;

(c) **Cross Default.** A provision which expressly states that any default under the loan or mortgage, if not cured within the applicable time period, constitutes grounds for termination of this **Agreement** and any default under this **Agreement**, if not cured within the applicable time period, also constitutes a default under the loan or mortgage; and

(d) **Lease Agreement.** Your delivery to us of our standard form of Agreement to Lease which requires you, at our option, to lease the **Site** to us if the Franchise Agreement is terminated, assigned, or transferred pursuant to our standard form of Lease Agreement, a form of which is attached to the Franchise Disclosure Document.

## 5. FAMILY SPORTS PUB DEVELOPMENT, DECOR AND OPERATING ASSETS.

5.1 **Family Sports Pub Development.** You are responsible for developing the **Family Sports Pub**. We will furnish you with access to prototype design plans, specifications, decor and layout (which include: (a) general layout plans; (b) building elevations; and (c) kitchen and bar plans for a **Family Sports Pub**, including requirements for design, color scheme, image, interior, layout, **Operating Assets** (which include fixtures, equipment, signs, and furnishings) and build out schedule for the **Family Sports Pub**. You are obligated to have prepared all required construction plans and specifications to suit the shape and dimensions of the **Site** and to ensure that such plans and specifications comply with applicable ordinances, building codes and permit requirements and with lease requirements and restrictions. You agree to submit construction plans and specifications to us for approval before construction of the **Family Sports Pub** is commenced and, at our request, submit all revised or "as built" plans and specifications during the course of such construction. We may require that an architect designated by us oversee the finished plans before construction begins. At your request, to the extent we deem necessary, we will assist you in developing the **Family Sports Pub** by recommending contractors and architects and otherwise furnishing information to assist you in developing the **Family Sports Pub** in accordance with our specifications.

5.2 **Development Expenses.** You agree, at your own expense, to do the following with respect to developing the **Family Sports Pub** at the **Site**:

(a) **Construction Drawings.** Have complete and detailed construction drawings approved by an architect (both the drawings and your architect are subject to our approval);

(b) **Financing.** Secure all financing required to develop and operate the **Family Sports Pub**;

(c) **Permits.** Obtain all building, utility, sign, health, sanitation, business and other permits and licenses required to construct and operate the **Family Sports Pub** and pay all assessed impact fees;

(d) **Improvements**. All required improvements to the **Site** and decorate the **Family Sports Pub** in compliance with the plans, specifications and schedule we have approved;

(e) **Operating Assets**. Purchase or lease and install all **Operating Assets** required for the **Family Sports Pub**; and

(f) **Opening Inventory**. Purchase an opening inventory of authorized and approved products, materials and supplies.

5.3 **Decor**. You agree that all decor of your **Family Sports Pub** must be previously approved by us and must comply with our standards as described in the **Confidential Operating Manuals**, which may be periodically revised. No **Family Sports Pub** is permitted to have pool tables and/or darts without our prior written approval. Your failure to maintain the **Family Sports Pub's** decor in compliance with our **System** and the standards described in the **Confidential Operating Manuals** constitutes a material breach of this Agreement.

5.4 **ADA Requirements**. You must comply with all local, state, and federal laws, including (without limitation) the Americans with Disabilities Act ("ADA"). You must execute and deliver an **ADA Certification** to us before you open the franchised business to confirm and certify that the franchised business and any proposed renovations comply with the **ADA** and other requirements.

5.5 **Operating Assets and Family Sports Pub Materials**. You agree to acquire all services, supplies, materials and food and beverage products, and media products and services (e.g. cable television, and satellite television for use in connection with your **Family Sports Pub** (collectively, the "**Family Sports Pub Materials**") and all fixtures, furnishings, equipment, signs and electronic or computerized devices and services (including telecopiers, cash registers, computers, POS, e-mail, ISP, intranet and internet services, hardware and software) (the "**Operating Assets**") from suppliers we have previously approved. We will only approve suppliers whose **Family Sports Pub Materials** and **Operating Assets** meet the quality standards that we establish from time to time. You agree to only place or display at the **Site** (interior and exterior) such signs, emblems, lettering, logos and display materials that we periodically approve. You are responsible for the payment of any applicable licensing fees relating to **Family Sports Pub Materials**, including any applicable licensing fees related to the playing of sports videos, television, satellite or cable programming, pay-per-view events, or music (if any) in any format at the **Family Sports Pub** (e.g. HBO, DSS, ASCAP, BMI or ESPN fees). We may require that you purchase or lease **Operating Assets** and **Family Sports Pub Materials** through any form of a "business to business," e-commerce, Intranet or Internet supply network that we may designate, establish or participate in from time to time.

5.6 **Insurance Requirements**. As an independent business owner, you will be required to obtain and maintain certain insurance on your business. We must be listed as an additional insured on all liability policies. You will also be required to show proof of coverage and submit this proof on a periodic basis to us, usually annually. The insurance required and the amounts necessary may vary by state, so please check with your state agencies to ensure that your business is properly covered. More detailed information about your insurance requirements is described below.

(a) **Types Of Insurance Required**. During the term of this **Agreement**, you must maintain in force, at your expense and under policies of insurance issued by carriers approved by us, the following types of insurance coverage:

(i) **Umbrella**. "Umbrella" liability insurance;

(ii) **Liability**: Liability insurance against liability for personal services care and negligence; and

(iii) **Business Interruption**. Business interruption insurance.

(b) **Types Of Insurance Recommended**. In addition to the required insurance types, we recommend that you also maintain in force, at your expense and under policies of insurance issued by carriers approved by us, the following types of insurance coverage:

(i) **Product Liability**. Comprehensive, public and product liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the operation of the **Family Sports Pub**;

(ii) **Property**. General casualty and property insurance including fire, flood, hurricane, vandalism and malicious mischief, and extended coverage insurance with a full replacement value of your inventory and contents of the **Family Sports Pub**, covering such risks as are covered in the Standard Extended Coverage Endorsement;

(iii) **Motor Vehicle**. Comprehensive motor vehicle insurance (including personal injury protection, uninsured motorist protection, and “umbrella” coverage) for any motor vehicles operated by the **Family Sports Pub**;

(iv) **Worker’s Compensation**. Workers’ compensation in the amounts required by applicable law for the **Family Sports Pub**;

(v) **Employee Coverage**. Comprehensive crime and blanket employee dishonesty insurance;

(vi) **Leasehold or Financing**. Such other insurance as is required by lease or other financing document (if any) for the **Family Sports Pub**; and

(vii) **Other**. Other insurance policy types recommended by your insurance advisor.

(c) **Coverage Requirements**. You must maintain the insurance coverages in the minimum amounts we prescribe from time-to-time in our System Standards. We may periodically increase or decrease the amounts of coverage required under these insurance policies and require different or additional kinds of insurance at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes and circumstances.

(d) **Policy Terms**. All insurance policies you obtain and maintain must:

(i) **No Limitations**. Contain no provision which in any way limits or reduces coverage for us in the event of any claim by us or any of our affiliates, directors, officers or agents;

(ii) **Indemnification**. Extend to provide indemnity for all obligations assumed by you under this **Agreement** and all items for which you are required to indemnify us under the provisions of this **Agreement** or otherwise;

(iii) **Additional Insureds**. Name us as additional insureds;

(iv) **Subrogation**. Contain a waiver of the insurance company’s right of subrogation against us;

(v) **Coverage.** Provide that the coverage afforded applies separately to each insured against whom a claim is brought as though a separate policy had been issued to each insured;

(vi) **Notice of Termination.** Provide that the insurance company will provide us with at least thirty (30) days' prior written notice of termination, expiration, cancellation or material modification of any policy; and

(vii) **Limits.** Provide that you cannot reduce the policy limits, restrict coverage, cancel or otherwise alter or amend the policies without our prior written consent.

(e) **Evidence of Coverage.** Before the expiration of the term of each insurance policy, you must furnish us with a copy of each new, renewal or replacement policy you have obtained to extend your coverage, along with evidence of the premium payment. You must also allow any inspections of the Family Sports Pub required to obtain or maintain the insurance.

(f) **Impact of Not Meeting Our Insurance Requirements.** If you do not maintain the required insurance coverage, or do not furnish us with satisfactory evidence of insurance coverage and premium payments, we may obtain, at our option and in addition to our other rights and remedies under this **Agreement**, any required insurance coverage on your behalf. If we do so, you must fully cooperate with us in our effort to obtain the insurance policies and must promptly sign all forms required to obtain or maintain the insurance. Finally, you must pay us, on demand, any costs and premiums we incur in obtaining insurance on your behalf.

(g) **Insurance Does Not Waive or Limit Your Obligations.** Your obligation to maintain insurance coverage and/or our maintenance of insurance on your behalf will not reduce or absolve you of any obligations of indemnification described in this Agreement.

(h) **These Are Minimum Insurance Requirements.** You should consult with your own insurance advisor/broker regarding any additional insurance needs. These are only minimum coverage requirements. You may need more. In general, if you will need more will depend on your own financial situation, risk tolerances and local risk issues.

5.7 **Changes to Approved Suppliers.** If you want to propose a new supplier of **Family Sports Pub Materials** or **Operating Assets**, you agree to submit to us sufficient written information about the proposed new supplier to enable us to approve or reject either the supplier or the particular item and to be responsible for any expenses incurred in the process by us or you. We will have 30 days from receipt of the information to approve or reject the proposed new supplier or items. We may consider in providing such approval not just the quality standards of the products or services, but their delivery capabilities, financing terms and ability to service our franchise system as a whole. We may terminate or withhold approval of any **Family Sports Pub Materials** or **Operating Assets**, or any supplier of such item that does not meet our quality standards by giving you written notice. If we do so, you agree to immediately stop purchasing from such supplier or using such **Family Sports Pub Materials** or **Operating Assets** in your **Family Sports Pub** until we notify you that such supplier or such **Family Sports Pub Materials** or **Operating Assets** meet our quality standards. At our request, you agree to submit to us sufficient information about a proposed supplier and samples of the proposed **Family Sports Pub Materials** or **Operating Assets** for our examination so that we can determine whether they meet our quality standards. We also have the right to require our representatives to be permitted to inspect the proposed supplier's facilities at your expense.

5.8 **Family Sports Pub Opening.** You agree not to open the **Family Sports Pub** for business until:

- (a) **Standards and Specifications.** We approve the **Family Sports Pub** as developed in accordance with our specifications and standards;
- (b) **Pre-Opening Training.** Pre-opening training of you and your personnel has been completed to our satisfaction including operator certification at our corporate training facility;
- (c) **Franchise Fee.** The **Franchise Fee** and all other amounts then due to us have been paid;
- (d) **Insurance.** We have been furnished with copies of all insurance policies required by this **Agreement**, or such other evidence of insurance coverage and payment of premiums as we request or accept;
- (e) **Signed Counterpart Copies of Required Documents.** We have received signed counterparts of all required documents pertaining to your acquisition of the **Site**;
- (f) **Organizational Documents.** If you are a business entity, we have received your Articles of Incorporation, Partnership Agreements and/or other organizational documents; and
- (g) **Pre-Opening Marketing Requirements.** All pre-opening marketing requirements have been completed to our satisfaction, including successful completion of the 120 Day Online Program.

You agree to commence construction of (or remodeling in the case of your purchase of an existing building) the **Family Sports Pub** within 6 months after the **Effective Date**.

5.9 **Opening Market Initiatives.** You agree to complete all pre-opening and post-opening marketing initiatives as described in the marketing manuals. You agree to execute advertising and sponsorship initiatives by utilizing weekly newspaper advertising, school and recreational sports league (Little League, Soccer, etc.) sponsorship, etc. as described and outlined in the marketing manuals. You agree to spend no less than \$5,000 for such purposes during the first 5 months of business.

## 6. FEES.

6.1 **Franchise Fee.** You agree to pay us a nonrecurring and nonrefundable initial franchise fee (the "**Franchise Fee**") in the amount of \$35,000, payable as follows: if your territory is located within the contiguous United States, 50% upon signing this **Agreement** and 50% when you sign your lease or six (6) weeks prior to opening the **Family Sports Pub**, whichever occurs first. If your territory is located outside the contiguous United States, the **Franchise Fee** must be paid in full upon signing this **Agreement**. The **Franchise Fee** is nonrefundable and is fully earned by us when paid. If you enter into an Area Development Agreement, after paying the Development Fee (See **Section 4** of the Area Development Agreement), at the time of executing the lease for each **Family Sports Pub** opened after the first one, you must us pay a non-refundable fee of \$17,500.

6.2 **Royalty.** You agree to pay us a royalty ("**Royalty**" or "**Royalties**") in the amount of 4% (5% outside of contiguous United States) of your **Family Sports Pub's** monthly **Adjusted Gross Sales** (defined below). We must receive the **Royalty** on or before the **Payment Day** of each month for the immediately preceding month.

6.3 **Electronic Funds Transfer and Payment Procedure.** We require you to pay all payments of the **Royalties** or any other amounts due us under this **Agreement** to us by electronic funds transfer. We will designate the day of each month or week (the "**Payment Day**") for the **Royalty** payment or payment of other amounts due us under this **Agreement**. We may designate different **Payment Days** for different amounts due us under this **Agreement** (e.g. **Royalty, Advertising Funds Contributions**, etc.). You agree to comply with the procedures we specify in our **Confidential Operating Manuals** and perform such acts and sign and deliver

such documents as may be necessary to accomplish payment by this method. You will give us authorization, in a form that we designate, to initiate debit entries or credit correction entries to the **Family Sports Pub's** bank operating account (the "**Account**") for payments of **Royalties** and other amounts due under this **Agreement**, including any applicable interest charges. You will make the funds available in the **Account** for withdrawal by electronic transfer no later than the **Payment Day**. The amount actually transferred from the **Account** to pay **Royalties** will be based on the **Family Sports Pub's Adjusted Gross Sales** as determined by us based on our review of your point of sale system. Notwithstanding the foregoing, however, you must still report your **Family Sports Pub's Gross Sales** or **Adjusted Gross Sales** on a monthly basis in the form and at the time that we designate in our manuals or otherwise. If we determine at any time that you have under-reported **Gross Sales** or **Adjusted Gross Sales** or underpaid **Royalties** or other amounts due to us, we will be authorized to immediately initiate a transfer from the **Account** in the appropriate amount in accordance with the foregoing procedures, including applicable interest and late charges. Any overpayment will be credited to the **Account** through a credit, effective as of the first reporting date after you and we determine that such credit is due.

6.4 **Definition of "Gross Sales."** As used in this **Agreement**, the term "**Gross Sales**" means all revenue you derive from operating the **Family Sports Pub**, including, but not limited to, all amounts you receive at or away from the **Site** from any activities or services whatsoever including any that are in any way associated with the **Marks**, and whether from cash, check, barter, credit or debit card or credit transactions, including the redemption value of gift certificates redeemed by you regardless of whether such gift certificates are issued by you or someone else; but excluding (1) all federal, state or municipal sales, use or service taxes collected from customers and paid to the appropriate taxing authority and (2) customer refunds, adjustments, credits and allowances actually made by the **Family Sports Pub**. **Gross Sales** also includes revenues from delivery service sales, retail, concessions, hotel room service, catering, special functions, etc. and sales of products bearing or associated with the **Marks**.

6.5 **Definition of "Adjusted Gross Sales."** As used in this **Agreement**, "**Adjusted Gross Sales**" means **Gross Sales** less: (i) complimentary food and beverage service, or sums collected and actually paid by you for any sales, drink or other excise tax imposed by any duly constituted governmental authority on alcoholic beverages sales in a state that prohibits the payment of **Royalties** on such sales; (ii) the value of gift certificates and the amounts paid for them; and, (iii) the amount of all reasonable over-rings, allowances, discounts to customers, tips to employees (including discounts attributable to coupon sales, provided they have been included in **Gross Sales**) as determined by us in our sole judgment. If we determine in our sole judgment that the amount of over-rings, allowances, and discounts to customers is excessive as compared to the system-wide average, we may require you to increase the amount of your **Adjusted Gross Sales** in the amount that we determine.

6.6 **Interest on Late Payments.** All amounts which you owe us will bear interest after their due date at the annual rate of 18% or the highest contract rate of interest permitted by law, whichever is less. You acknowledge that we do not agree to accept any payments after they are due nor commit to extend credit to, or otherwise finance your operation of, the **Family Sports Pub**. Your failure to pay all amounts when due constitutes grounds for termination of this **Agreement**, as provided in **Section 16** of this **Agreement**.

6.7 **Late Payment Penalties.** All **Royalties**, **Advertising Contributions**, amounts due for purchases by you from us, and any interest accrued thereon, and any other amounts which you owe us, or our affiliates, are subject to a late payment fee of 10% of the amount due. The late payment fee is due immediately on any delinquent payments. The provision in this **Agreement** concerning late payment fees survives termination or expiration of this **Agreement** and does not mean that we accept or condone late payments, nor does it indicate that we are willing to extend credit to, or otherwise finance the operation of, your **Family Sports Pub**.

6.8 **Gross-Up Fees.** To insure that we receive a full amount of the **Adjusted Gross Sales** of the **Family Sports Pub** as **Royalties** and the full **Advertising Contributions** to which we may be entitled, as the amount thereof may vary from time to time, you must pay us, upon demand, whether in arrears, in advance, in a



lump sum or in the same manner as **Royalties** and **Advertising Contributions** are paid to us, the amount of all taxes we pay to any governmental authority on revenue earned or collected by us based upon your use of our intellectual property or other intangibles or based upon the existence of this **Agreement**, within the governmental authority's domain during each of our fiscal years throughout the entire term of this **Agreement**.

6.9 **Application of Payments.** Notwithstanding any designation you might make, we have sole discretion to apply any of your payments to any of your past due indebtedness to us. You acknowledge and agree that we have the right to set off any amounts you or your **Owners** owe us against any amounts we might owe you or your **Owners**.

6.10 **Payment Offsets.** We may set off from any amounts that we may owe you any amount that you owe to us, or our affiliates, for any reason whatsoever, including without limitation, **Royalties, Advertising Contributions**, late payment penalties and late payment interest, amounts owed to us or our affiliates for purchases or services or for any other reason. Thus, payments that we make to you may be reduced, in our discretion, by amounts that you owe to us or our affiliates from time to time. In particular, we may retain (or direct to our affiliates) any amounts that we have received for your account as a credit and payment against any amounts that you may owe to us, or our affiliates, at any time. We will notify you monthly if we do so.

6.11 **Discontinuance of Service.** If you do not timely pay amounts due us under this **Agreement**, we may discontinue any services to you, without limiting any of our other rights in this **Agreement**.

## 7. TRAINING AND ASSISTANCE.

7.1 **Training.** Before the **Family Sports Pub** opens, we or our designee will furnish the initial 7-week training program ("**Beef's Boot Camp**") to your primary operating partner (the "**Operating Partner**") and your designated manager who is responsible for the day to day operation of the **Family Sports Pub** (the "**Operating Manager**") (collectively, the "**Two Designated Managers**"). We will also provide **Beef's Boot Camp** to a third individual at your option for no additional fee. Although we, or our designee, will furnish **Beef's Boot Camp** to the **Two Designated Managers** and third optional trainee at no additional fee or other charge, you will be responsible for all travel, wages and living expenses which the **Two Designated Managers** and the third optional trainee incur in connection with the training. At your request, we will provide **Beef's Boot Camp** to more than the three included individuals (**Two Designated Managers** plus the optional third trainee), for \$875 per each additional trainee. In addition to the fee, you will be responsible for any travel, wages and living expenses incurred by any additional trainees. The **Two Designated Managers** of the **Family Sports Pub** must successfully and fully complete **Beef's Boot Camp** and pass the training certificate process (the "**Training Certificate**") conducted at our Corporate Training Facilities in Valrico, Temple Terrace or Riverview, Florida or other designated Training Store. The **Two Designated Managers** must also attend a 1-day Pre-Opening Visit, conducted by us, or our designee. Successful completion of all training requirements described in this **Section** is a condition to the opening of the **Family Sports Pub**. We, or our designee, will also provide optional additional training for a kitchen manager for a term of 4 weeks (the "**Kitchen Training**").

7.2 **Opening On-Site Assistance.** For your first **Family Sports Pub** opening, we, or our designee, will provide supervision and assistance prior to the opening of your **Family Sports Pub** and immediately following the opening date of your **Family Sports Pub** (the "**Opening On-Site Assistance**"). We, or our designee, will provide up to 3 trainers for a total of 12 days of **Opening On-Site Assistance** for your first location (6 days before opening; 6 days after opening). We will pay for our hotel, transportation and expenses incurred with the provision of such services if the **Family Sports Pub** opens as scheduled. If, however, you delay the opening of the **Family Sports Pub** after it has already been agreed upon, all additional expenses caused by the delay will be paid by you (e.g., change fees or rate increases in airfare, hotel, and other travel expenses along with lost wages for trainers due to the rescheduled dates). If the initial week's sales volume and demands of the business are determined to exceed the capabilities of the **Two Designated Managers** and employees, a member of our staff, or our designee, will be furnished to assist in the operations of your **Family Sports Pub** for

an undetermined additional period of time that we determine is appropriate. You must pay us any costs incurred for this additional training and support. If you request additional training support during the Opening On-Site Assistance, the fee is \$300 per day per trainer and you are responsible for all travel, wage and lodging expenses for the additional trainers. For your second and any subsequent Family Sports Pub you open, instead of the Opening On-Site Assistance described above, we will provide 1 training coordinator for a total of 5 days of **Second and Subsequent Opening On-Site Assistance** (3 days before opening; 2 days after opening). We will pay for our hotel, transportation and expenses incurred with the provision of such services if the Family Sports Pub opens as scheduled. If, however, you delay the opening of the Family Sports Pub after it has already been agreed upon, all additional expenses caused by the delay will be paid by you (e.g., change fees or rate increases in airfare, hotel, and other travel expenses along with lost wages for trainers due to the rescheduled dates). If you request additional trainers during the Second and Subsequent Opening On-Site Assistance, the fee is \$250 per day per trainer and you are responsible for all travel, wage and lodging expenses for the additional trainers.

7.3 **Ongoing Assistance.** We will provide continuing advisory assistance to you in the operation, advertising, merchandising, display, promotion and public relations technique of the **Family Sports Pub** as we deem necessary. We, or our designee, will also provide additional or refresher training programs for you and your employees as we deem appropriate. We will provide you, from time to time, with advice and written materials concerning techniques of managing and operating the **Family Sports Pub**. At your request, we will make additional or refresher training in form and content as we deem appropriate available at your **Family Sports Pub** or at other locations we designate for an additional fee (the "**Additional Training Fee**"). The **Additional Training Fee** is \$900 per 5-day work week per corporate trainer. At your expense, you will provide all items necessary for such training at your **Family Sports Pub**. You must also pay us any costs incurred for this additional training and support, including a meal per diem and travel and hotel expenses.

7.4 **Additional Training.** If, at any time after the **Family Sports Pub** opens, you hire additional management personnel or replace one or more of your **Two Designated Managers**, you must ensure that such new employees are satisfactorily trained and certified at an approved training store at your expense. You agree to furnish meals to our, or our designee's, training personnel during the time when your kitchen is in operation when they are at your **Family Sports Pub**, at no cost to us. We may require the **Two Designated Managers** and/or other previously trained and experienced managers or employees to attend periodic refresher training courses at such times and locations that we designate. You must pay to us, or our designee, the **Additional Training Fee** for each person who receives additional training by us or our designee (other than **Two Designated Managers** who receive **Beef's Boot Camp**).

7.5 **Remedial Training.** If we determine it to be necessary, we may provide you with remedial training or assistance subject to the availability of our personnel. You must pay us any fee which we may charge you and other franchisees to defray the direct costs of providing this remedial training. In addition, you must be responsible for any and all other expenses incurred in connection with sending your employees to such remedial training including, without limitation, the costs of transportation, lodging, meals, training materials and any wages. We will, in our sole discretion, select the time and location of all remedial training.

7.6 **General Guidance.** We will advise you from time to time regarding the operation of the **Family Sports Pub** based on reports you submit to us or inspections we make. In addition, we will furnish guidance to you with respect to:

(a) **Standards and Specifications.** Standards, specifications and operating procedures and methods utilized by **Family Sports Pubs**;

(b) **Fixtures, Furnishings, Equipment and Signage.** Purchasing required fixtures, furnishings, equipment, signs, products, materials and supplies;

(c) **Recipes and Food Preparation.** Recipes, food preparation methods, and menu items;

- (d) **Suppliers**. Use of suppliers, approved products, volume buying;
- (e) **Advertising**. Advertising and marketing programs;
- (f) **Employee Training**. Employee training; and
- (g) **Accounting**. Administrative, bookkeeping and accounting procedures.

Such guidance will, at our discretion, be furnished in our **Confidential Operating Manuals**, bulletins or other written materials and/or during telephone consultations and/or consultations at our office or the **Family Sports Pub**. At your request, we will furnish additional guidance and assistance. If your requests for additional or special training and guidance are, in our opinion, excessive we may charge you a fee to cover expenses that we incur in connection with such training or guidance, including **Per Diem** fees and travel and living expenses for our personnel.

## 8. MARKS.

8.1 **Ownership and Goodwill of Marks**. Your right to use the **Marks** is derived solely from this **Agreement** and limited to your operation of the **Family Sports Pub** at the **Site** pursuant to and in compliance with this **Agreement** and all **System Standards** we prescribe from time to time during its term. Your unauthorized use of the **Marks** will be a breach of this **Agreement** and an infringement of our rights in and to the **Marks**. You acknowledge and agree that your usage of the **Marks** and any goodwill established by such use will be exclusively for our benefit and that this **Agreement** does not confer any goodwill or other interests in the **Marks** upon you (other than the right to operate the **Family Sports Pub** in compliance with this **Agreement**). All provisions of this **Agreement** apply to any additional proprietary trade and service marks and commercial symbols we authorize you to use.

8.2 **Limitations on Your Use of Marks**. You agree to use the **Marks** as the sole identification of the **Family Sports Pub**, except that you agree to identify yourself as the independent owner in the manner we prescribe in the **Confidential Operating Manuals** or otherwise. We may place a conspicuous notice at a place we designate in your **Family Sports Pub** identifying you as its independent owner and operator. You agree not to remove, destroy, cover or alter that notice without our prior consent. If you do not do so, we may accomplish the notice or identification as we see fit, and you agree to reimburse us for doing so. You may not use any **Mark** as part of any corporate or legal business name or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos we license to you), or in any modified form, nor may you use any **Mark** in connection with the performance or sale of any unauthorized services or products or in any other manner we have not expressly authorized in writing. No **Mark** may be used in any advertising concerning the transfer, sale or other disposition of the **Family Sports Pub** or an ownership interest in you. You agree to display the **Marks** prominently in the manner we prescribe at the **Family Sports Pub**, on supplies or materials we designate and in connection with forms and advertising and marketing materials. You agree to give such notices of trade and service mark registrations as we specify and to obtain any fictitious or assumed name registrations required under applicable law.

8.3 **Notification of Infringements and Claims**. You agree to notify us immediately of any apparent infringement or challenge to your use of any **Mark**, or of any claim by any person of any rights in any **Mark**, and you agree not to communicate with any person other than us, our attorneys and your attorneys in connection with any such infringement, challenge or claim. We have sole discretion to take such action as we deem appropriate and the right to control exclusively any litigation, U.S. Patent and Trademark Office proceeding or any other administrative proceeding arising out of any such infringement, challenge or claim or otherwise relating to any **Mark**. You agree to sign any and all instruments and documents, render such assistance and do such acts and things as, in the opinion of our attorneys, may be necessary or advisable to

protect and maintain our interests in any litigation or Patent and Trade mark Office or other proceeding or otherwise to protect and maintain our interests in the **Marks**.

8.4 **Discontinuance of Use of Marks.** If we deem it advisable at any time in our sole control for us and/or you to modify or discontinue the use of any **Mark** and/or use one or more additional or substitute trade or service marks, you agree to comply with our directions within a reasonable time after receiving notice. We will not be obligated to reimburse you for any direct or indirect loss, including loss of revenue attributable to any modified or discontinued **Mark** or for any expenditures you make to promote a modified or substitute trademark or service mark.

8.5 **Signage.** Signage must comply with all state and local laws and ordinances. You must limit your signage to “**Beef ‘O’ Brady’s**” and “**Family Sports Pub**” or any other signage that we designate. You may not use of any other language (i.e. “Family Sports Bar,” “Family Sports Grill,” “Family Sports Restaurant,” etc.) without our prior written approval which we can withhold for any reason or no reason. If you employ any signage that does not comply with this **Agreement**, you will be in material breach of this **Agreement**. You must not use a sign that deviates from the standard logo unless and until you have submitted a request for such deviation to us in writing with drawings and we have approved such deviation in writing.

8.6 **Media.** Except as expressly limited in this Agreement, we (for ourselves, our affiliates and designees) retain all rights with respect to use of the **Marks** and the **System** to sell any products or services, similar to those which you sell, through any alternate channels of distribution. This includes, but is not limited to, retail locations and other channels of distribution such as television, mail order, catalog sales, wholesale to unrelated retail outlets, over the Internet, or through other forms of electronic media (including social technology, social media and social networking platforms). We exclusively reserve the Internet and other forms of electronic media as channels of distribution for us, and you may not independently market on the Internet or through other forms of electronic media, or conduct e-commerce without our prior written consent.

## 9. **CONFIDENTIAL INFORMATION.**

9.1 **Types of Confidential Information.** We possess (and will continue to develop and acquire) certain confidential information (the “**Confidential Information**”) relating to the development and operation of **Family Sports Pubs**, which includes (without limitation):

- (a) **System.** The **System** and the know-how related to its use;
- (b) **Plans and Specifications.** Plans, specifications, size and physical characteristics of **Family Sports Pubs**;
- (c) **Site Selection.** Site selection criteria, land use and zoning techniques and criteria;
- (d) **Regulatory Requirements.** Methods in obtaining licensing and meeting regulatory requirements;
- (e) **Business Methods.** Sources, design and methods of use of equipment, furniture, forms, materials, supplies, Websites, Internet or Intranet, “business to business” or “business to customer” networks or communities and other e-commerce methods of business;
- (f) **Marketing.** Marketing, advertising and promotional programs for **Family Sports Pubs**;
- (g) **Staffing.** Staffing and delivery methods and techniques for personal services;
- (h) **Managers and Employees.** The selection, testing and training of managers and other employees for **Family Sports Pubs**;

- (i) **Recruitment of Employee Candidates.** The recruitment, qualification and investigation methods to secure employment for employment candidates;
- (j) **Computer Software.** Any computer software and related passwords we make available or recommend for **Family Sports Pubs**;
- (k) **Know-How.** Methods, techniques, formats, specifications, procedures, information and systems related to and knowledge of and experience in the development, operation, advertising, marketing and franchising of **Family Sports Pubs**;
- (l) **Supplier Specifications.** Knowledge of specifications for and identities of and suppliers of certain products, materials, supplies, furniture, furnishings and equipment;
- (m) **Recipes and Techniques.** Recipes, formulas, preparation methods and serving techniques; and
- (n) **Knowledge.** Knowledge of operating results and financial performance of **Family Sports Pubs** other than those operated by you (or your affiliates);
- (o) **Pricing and Purchasing.** Pricing, purchase agreements and contracts.

9.2 **Disclosure and Limitations on Use.** We will disclose much of the **Confidential Information** to you and personnel of the Family Sports Pub by furnishing the **Confidential Operating Manuals** to you and by providing training, guidance and assistance to you. In addition, in the course of the operation of your Family Sports Pub, you or your employees may develop ideas, concepts, methods, process, techniques or improvements ("**Improvement** ") relating to your Family Sports Pub or the **System**, . You must promptly notify us and provide us with all necessary related information, without compensation related to the **Improvement**. Any such **Improvement** shall become our sole property and we will be the sole owner of all related intellectual property rights and **the Improvement** will become **Confidential Information**. You hereby assign to us any rights you may have or acquire in the **Improvement**, including the right to modify the **Improvement**, and you waive and/or release all rights of restraint and moral rights therein and thereto. You must assist us in obtaining and enforcing the intellectual property rights to any such **Improvement** in any and all countries and further agree to execute and provide us with all necessary documentation for obtaining and enforcing such rights. You hereby irrevocably designate and appoint us as your agent and attorney-in-fact to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance of intellectual property right related to any such Improvement. If the foregoing provisions of this **Section 9.2** are found to be invalid or otherwise unenforceable, you hereby grant us a worldwide, perpetual, non-exclusive, fully-paid license to use and sublicense the use of the Improvement to the extent such use or sublicense would, absent this Agreement, directly or indirectly infringe your rights therein. **We may use the Improvements and authorize you and others to use them in the operation of Family Sports Pubs or any other aspect of the System.**

9.3 **Confidentiality Obligations.** You agree that your relationship with us does not vest in you any interest in the **Confidential Information** other than the right to use it in the development and operation of your **Family Sports Pub** as we see fit, and that the use or duplication of the **Confidential Information** in any other business would constitute an unfair method of competition. You acknowledge and agree that the **Confidential Information** is proprietary, includes trade secrets belonging to us, and is disclosed to you or authorized for your use solely on the condition that you agree, and you therefore do agree, that you:

- (a) **No Use of Confidential Information.** Will not use the **Confidential Information** in any other business or capacity;

(b) **In-Term and Post-Term Confidentiality.** Will maintain the absolute confidentiality of the **Confidential Information** during and after the term of this **Agreement**;

(c) **No Unauthorized Copies of Confidential Information.** Will not make unauthorized copies of any portion of the **Confidential Information** disclosed via electronic medium, in written form or in other tangible form, including, for example, the **Confidential Operating Manuals**; and

(d) **Prevention of Unauthorized Use.** Will adopt and implement all reasonable procedures we may prescribe from time to time to prevent unauthorized use or disclosure of the **Confidential Information**, including, restrictions on disclosure to your employees and the use of nondisclosure and noncompetition agreements we may prescribe for employees or others who have access to the **Confidential Information**.

9.4 **Exceptions to Confidentiality.** The restrictions on your disclosure and use of the **Confidential Information** will not apply to the following:

(a) **Generally Known Information.** Disclosure or use of information, processes, or techniques which are generally known and used in the **Family Sports Pub** business (as long as the availability is not because of a disclosure by you), provided that you have first given us written notice of your intended disclosure and/or use; and

(b) **Judicial or Administrative Proceedings.** Disclosure of the **Confidential Information** in judicial or administrative proceedings when and only to the extent you are legally compelled to disclose it, provided that you have first given us the opportunity to obtain an appropriate protective order or other assurance satisfactory to us that the information required to be disclosed will be treated confidentially.

## 10. **EXCLUSIVE RELATIONSHIP.**

You acknowledge and agree that we would be unable to protect **Confidential Information** against unauthorized use or disclosure or to encourage a free exchange of ideas and information among **Family Sports Pubs** if franchised owners of **Family Sports Pubs** were permitted to hold interests in or perform services for a **Competitive Business** (defined below). You also acknowledge that we have granted the **Franchise** to you in consideration of and reliance upon your agreement to deal exclusively with us. You agree that, during the term of this **Agreement**, neither you nor any of your **Owners** (nor any of your or your **Owners'** spouses or children) will:

(a) **Disclosed or Beneficial Owner.** Have any direct or indirect interest as a disclosed or beneficial owner in a **Competitive Business**, other than the **Family Sports Pub**;

(b) **Direct or Indirect Controlling Interest.** Have any direct or indirect controlling interest as a disclosed or beneficial owner in a **Competitive Business**, wherever located;

(c) **Other Agency Capacities.** Perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a **Competitive Business**, wherever located; or

(d) **No Recruitment of Employees.** Recruit or hire any person who is our employee or the employee of any **Family Sports Pub** without obtaining the prior written permission of that person's employer (failure to do so may result in financial sanctions payable to the offended party).

The term "**Competitive Business**" as used in this **Agreement** means any business or facility owning, operating or managing, or granting franchises or licenses to others to own, operate or manage, any bar, sports pub, sports bar, restaurant, food service facility or other business that features menu items, products and/or services similar to any of the menu items, products and/or services offered by the **Family Sports Pubs**, including, by way of

example and without limitation, any restaurant, bar or catering service that offers chicken wings, beef, hamburgers, chicken, or sandwiches or any bar which operates as a sports pub or sports bar (other than a **Family Sports Pub** operated under a franchise agreement with us).

## 11. OPERATION AND SYSTEM STANDARDS.

11.1 **Confidential Operating Manuals.** During the term of this **Agreement**, we will allow you to access, in electronic or in another format we designate, our manuals (the "**Manuals**"), consisting of such materials (including, as applicable, audiotapes, videotapes, magnetic media, computer software and written materials or other formats) that we generally furnish to franchisees from time to time for use in operating a **Family Sports Pub**. The **Manuals** contain mandatory and suggested specifications, standards, operating procedures and rules ("**System Standards**") that we prescribe from time to time for the operation of a **Family Sports Pub** and information relating to your other obligations under this **Agreement** and related agreements. You agree to follow the **System Standards** and other standards, specifications and operating procedures we establish periodically for the **System** that are described in the **Manuals**. We also reserve the right to make the **Manuals** accessible to you on-line via computer systems or other electronic formats (like Internet, Intranet, CD-Rom, Websites or e-mail). You also must comply with all updates and amendments to the **System** as described in newsletters or notices we distribute, including via computer systems e.g., internet, CD or other media we select. Any form of the **Manuals** we make accessible to you on-line will be deemed our **Confidential Information**. You agree to maintain the **Manuals** as confidential and maintain the information in the **Manuals** as secret and confidential. The **Manuals** may be modified, updated and revised (in written or electronic format) by us from time to time to reflect changes in **System Standards**. You agree to keep your copy of the **Manuals**, if any, current and in a secure location at the **Family Sports Pub**. In the event of a dispute relating to its contents, the master copy of the **Manuals** we maintain at our principal office will be controlling. However, in the event we utilize on-line **Manuals**, the most recent on-line **Manuals** will control any disputes between the on-line version and printed copies of the **Manuals**. You may not at any time copy, duplicate, record or otherwise reproduce any part of the **Manuals**. If your copy of the **Manuals** is lost, destroyed or significantly damaged, you agree to obtain a replacement copy at our then applicable charge which is currently \$150 (unless we have made on-line **Manuals** accessible to you. If so, you may utilize the on-line **Manuals** instead of purchasing other printed **Manuals**.)

11.2 **Compliance with System Standards.** You acknowledge and agree that your operation and maintenance of the **Family Sports Pub** in accordance with **System Standards** are essential to preserve the goodwill of the **Marks** and all **Family Sports Pubs**. Therefore, at all times during the term of this **Agreement**, you agree to operate and maintain the **Family Sports Pub** in accordance with each and every **System Standard**, as we periodically modify and supplement them during the term of this **Agreement**. **System Standards** may regulate any one or more of the following with respect to the **Family Sports Pub**:

(a) **Maintenance.** Design, layout, decor, appearance and lighting; periodic maintenance, cleaning and sanitation; periodic remodeling; replacement of obsolete or worn-out leasehold improvements, fixtures, furnishings, equipment and signs; televisions; music and other entertainment services; periodic painting; and use of interior and exterior signs, emblems, lettering and logos, and illumination;

(b) **Required Items.** Types, models and brands of required fixtures, furnishings, equipment, signs, software, materials and supplies;

(c) **Signage.** Types, content, size, materials and standards for signage;

(d) **Required or Authorized Products.** Required or authorized products and product categories including for all food and beverage items and portions devoted to each supplier of products (e.g., "taps" for beer);

- (e) **Designated Suppliers.** Designated or approved suppliers of fixtures, furnishings, equipment, signs, software, products, materials and supplies including for all food and beverage items, approved distributors and/or distribution systems and approved trade accounts;
- (f) **Terms and Conditions of Sale.** Terms and conditions of the sale and delivery of, and terms and methods of payment for, products, materials, supplies and services, including direct labor, that you obtain from us, unaffiliated suppliers or others;
- (g) **Marketing.** Sales, marketing, advertising and promotional programs and materials and media used in such programs;
- (h) **Marks.** Use and display of the **Marks**;
- (i) **Staffing.** Staffing levels for the **Family Sports Pub**, and qualifications, training, dress and appearance of employees;
- (j) **Hours of Operation.** Days and hours of operation and meals served (lunch and dinner) at the **Family Sports Pub**;
- (k) **Product and Service Development.** Participation in market research and testing and product and service development programs and customer satisfaction programs;
- (l) **Payment Options.** Acceptance of credit cards, corporate and other franchisee issued gift certificates, coupons, frequent diner programs, gift cards and payment systems and check verification services;
- (m) **Accounting.** Bookkeeping, accounting, data processing and record keeping systems, including software, and forms; methods, formats, content and frequency of reports to us of sales, revenue, financial performance and condition; and furnishing tax returns and other operating and financial information to us;
- (n) **Insurance.** Types, amounts, terms and conditions of insurance coverage required to be carried for the **Family Sports Pub** and standards for underwriters of policies providing required insurance coverage; our protection and rights under such policies as an additional named insured; required or impermissible insurance contract provisions; assignment of policy rights to us; periodic verification of insurance coverage that must be furnished to us; our right to obtain insurance coverage for the **Family Sports Pub** at your expense if you fail to obtain required coverage; our right to defend claims; and similar matters relating to insured and uninsured claims;
- (o) **Compliance with Laws.** Complying with applicable laws; obtaining required licenses and permits; adhering to good business practices; observing high standards of honesty, integrity, fair dealing and ethical business conduct in all dealings with customers, suppliers and us; and notifying us if any action, suit or proceeding is commenced against you or the **Family Sports Pub**;
- (p) **Operations.** Regulation of such other aspects of the operation and maintenance of the **Family Sports Pub** that we determine from time to time to be useful to preserve or enhance the efficient operation, image or goodwill of the **Marks** and **Family Sports Pubs**;
- (q) **Internet/Intranet.** Your use of, or mandatory or recommended participation in any e-commerce, Intranet, Internet or Website communities, systems or processes, Website and compliance with any Internet, Intranet or e-commerce policies or procedures which may establish from time to time; and



(r) **Start-Up Obligations**. Your obligation, if designated by us, to provide the **Beef's Boot Camp, Opening On-Site Assistance**, or additional or refresher training to **Family Sports Pubs** franchisees at your **Family Sports Pub** or at another location and at such times that we may designate from time to time. If we require you to provide **Beef's Boot Camp, Opening On-Site Assistance** or additional or refresher training to new franchisees, we will compensate you the amount we determine to be the cost incurred by you for providing such **Beef's Boot Camp, Opening On-Site Assistance** or additional or refresher training and a reasonable fee to you for your providing the training.

You agree that **System Standards** prescribed from time to time in the **Manuals**, or otherwise communicated to you in writing or other tangible form, constitute provisions of this **Agreement** as if fully set forth herein. All references to this **Agreement** include all **System Standards** as periodically modified.

11.3 **Modification of System Standards**. We may periodically modify **System Standards**, which may accommodate regional or local variations as we determine. Such modifications may obligate you to invest additional capital in the **Family Sports Pub** ("**Capital Modifications**") and/or incur higher operating costs. However, such modifications will not alter your fundamental status and rights under this **Agreement**. We will not obligate you to make any **Capital Modifications** when such investment cannot in our reasonable judgment be amortized during the remaining term of this **Agreement**, plus all eligible successor periods, unless we agree to extend the term of your franchise so that such additional investment, in our reasonable judgment, may be amortized; unless such investment is necessary in order to comply with applicable laws. We agree to give you up to 90 days to comply with **Capital Modifications** we require. However, if a **Capital Modification** requires an expenditure of more than \$20,000 we agree to give you up to 180 days from the date such request is made to comply with such **Capital Modification**. You are obligated to comply with all modifications to **System Standards**, including **Capital Modifications**, within the time period we specify. In no event will we require you to spend in any 12-month period in excess of 25% of our high estimate of the cost of the sum of leasehold improvements and furniture, fixtures and equipment from our Franchise Disclosure Document during the term of this Agreement in connection with Capital Modifications.

11.4 **Interior and Exterior Upkeep**. You agree at all times to maintain the **Family Sports Pub's** interior and exterior and the surrounding area in the highest degree of cleanliness, orderliness and sanitation and comply with the requirements regarding the upkeep of the **Family Sports Pub** established in the **Manuals** and by federal, state and local laws.

11.5 **Hours of Operation**. You agree to operate the **Family Sports Pub** between the hours of 11:00 a.m. and 11:00 p.m., Monday through Sunday, unless we have otherwise approved in advance in writing. Standard system-wide holidays allow for closing of the **Family Sports Pub** on Thanksgiving Day and Christmas Day, subject, however, to any contrary requirements contained in our Manual.

11.6 **Accounting, Computers and Records**. It is your responsibility to obtain accounting services and any required hardware or software related to them. You will at all times maintain the records reasonably specified in the **Manuals**, including, without limitation, sales, inventory and expense information. To the extent we require support for accounting software used by you, such support will only be provided with respect to the accounting software then used by us in the operation of our own (or our affiliates' own) **Family Sports Pubs**.

11.7 **Computer System**. You agree to use in developing and operating the **Family Sports Pub** the computer equipment and operating software (and related training and periodic software support) (the "**Computer System**") that we periodically specify. We may require you to obtain specified computer hardware or software and may modify specifications for and components of the **Computer System** from time to time. Our modifications and specifications for components of the **Computer System** may require you to incur cost to purchase, lease or license new or modified computer hardware or software and to obtain service and support for the **Computer System** during the term of this **Agreement**. You agree to incur such costs in connection with obtaining the computer hardware and software comprising the **Computer System** (any additions or

modifications). Within 60 days after you receive notice from us, you agree to obtain the components of the **Computer System** that we designate and require. We have the right to charge you for any computer usage costs that we incur as a result of your use of the **Computer System**. The **Computer System** must be capable of connecting with our **Computer System** so that we can daily review the results of your **Family Sports Pub's** operations. We also have the right to charge you a reasonable systems fee for modifications of and enhancements made to any proprietary software that we license to you and other maintenance and support services that we or our affiliates furnish to you related to the **Computer System**. You are responsible for all ISP and other connectivity related fees and costs relating to your use of the **Computer System**. You agree to maintain an active e-mail address at all times and inform us of it.

11.8 **Trade Accounts and Taxes.** You agree to maintain your trade accounts in a current status and seek to resolve any disputes with trade suppliers promptly. You agree to timely pay all taxes incurred in connection with your **Family Sports Pub's** operations. If you fail to maintain your trade accounts in a current status, timely pay such taxes or any other amounts owing to any third parties or perform any non-monetary obligations to third parties, we may, but are not required to, pay any and all such amounts and perform such obligations on your behalf. If we elect to do so, then you agree to reimburse us for such amounts. You agree to repay us immediately upon receipt of our invoice. We may also set-off the amount of any such reimbursement obligations against all amounts which we may owe you.

11.9 **Proprietary Materials.** You agree to purchase from us or approved manufacturers or suppliers all articles used in operating the **Family Sports Pub**; some of which bear the **Marks**. These items include, but are not limited to, food and non-food items, sauces, employee clothing (such as ties, hats and aprons) and menus (collectively, the "**Proprietary Materials**"), at the then prevailing prices, plus freight, taxes and delivery costs. The items may also include products like glassware, dinnerware, clothing, ties, hats, tee shirts, etc. for retail sale to customers.

11.10 **Approved Products.** You agree not to sell any food or beverage products or other items at the **Family Sports Pub** that we have not previously approved for sale. You agree to only use and display menus that have been prescribed or approved (except for prices) in advance by us. You agree to sell all the food and beverage products that are included on the prescribed or approved menus, and no others. You agree to strictly follow all of our recipes for all menu items as such recipes are specified from time to time in the **Manuals** or otherwise. You agree not to, without our prior written consent, sell, dispense, give away or otherwise provide food or beverage products or other items except by means of retail sales or complimentary meals to employees or customers at the **Family Sports Pub**, a program of charitable giving or under an approved delivery service in accordance with this Agreement. You will immediately implement changes to the products, food, service or other items requested by us, including menu changes. You agree to maintain an inventory of food and beverage products sufficient to meet the daily demands of the **Family Sports Pub** for all items specified in the menus. Any and all recipes or menu changes submitted by you for inclusion on the menus will become our property and you agree to sign all documents necessary to convey all rights and title, including all rights in such recipes to us.

11.11 **Co-Branding**. You must not engage in any co-branding at or in connection with the **Family Sports Pub** except with our prior written consent. We will not be required to approve any co-branding chain or arrangement except in its discretion, and only if we have recognized that co-branding chain as an approved co-brand for operation within the **Family Sports Pub**. “**Co-Branding**” includes the operation of an independent business, product line or operating system owned or licensed by another entity (not us) that is featured or incorporated within the **Family Sports Pub** or is adjacent to the **Family Sports Pub** and operated in a manner which is likely to cause the public to perceive it to be related to the **Family Sports Pub** licensed and franchised hereunder.

11.12 **Vending or Other Machines**. All vending, gaming machines, pay telephones, automatic teller machines, Internet kiosks or any other mechanical or electrical device to be installed or maintained at the **Family Sports Pub**, must receive our prior written approval.

11.13 **Management**. Your **Two Designated Managers** must assume responsibility for the **Family Sports Pub's** day-to-day management and operation and supervision of the **Family Sports Pub's** personnel. During all hours of operations, the **Family Sports Pub** must be under the direct supervision of your **Two Designated Managers** and one other management-level employee who both have satisfactorily completed **Beef's Boot Camp** or otherwise been trained by you. Each of those individuals must meet our qualifications for a **Family Sports Pub Manager**. Each of your managerial employees must sign our form of Confidentiality Agreement attached to this Agreement as **Exhibit G**, or other form satisfactory to us. If you will not be actively supervising and managing the **Family Sports Pub**, or if you are a business entity, or the **Family Sports Pub** will not be managed and supervised by one of your Principal Owners who meets the following requirements, you must recruit, hire and maintain **Two Designated Managers** of the **Family Sports Pub** who meets the following qualifications and conditions:

(a) **Experience**. The **Two Designated Managers** must have a sufficient amount of experience in managing and operating full service **Family Sports Pubs** (in terms of duration, operational responsibilities, previous training, etc.) as a general manager or in a similar supervisory position to demonstrate to us that he or she is capable of managing a **Family Sports Pub** on a full-time daily basis;

(b) **Management Responsibility**. The **Two Designated Managers** must have management responsibility and authority over the day-to-day operations of the **Family Sports Pub**;

(c) **Active Employment**. The **Two Designated Managers** must be actively employed by you or the Business Entity on a full-time basis to manage the **Family Sports Pub's** operations;

(d) **Confidentiality Agreement**. The **Two Designated Managers** must sign our Confidentiality, Nonsolicitation and Noncompetition Agreement attached to this Agreement as **Exhibit H** (or other contract in form and substance satisfactory to us); and

(e) **Completion of Training**. The **Two Designated Managers** must have satisfactorily completed our initial training program and any other training programs we require from time to time.

Although you control the terms and conditions of the **Two Designated Manager's** employment, the compensation programs and structure must be submitted to us for our prior review and approval. If you add an additional **Designated Trainee** or substitute a new **Designated Manager** for an existing **Designated Manager**, you must pay us a fee of \$2,500 to cover our costs of training and administration.

11.14 **Personnel**. You agree to hire, train and supervise **Family Sports Pub** employees in accordance with the specifications set forth in the Manuals. All personnel must meet every requirement imposed by applicable federal, state and local law as a condition to their employment.

11.15 **Alcoholic Beverage Agreements.** Continuously throughout the terms of this Agreement, you agree to provide alcoholic beverage services that we designate in our Manual at the **Family Sports Pub** in accordance with our **System Standards** and subject to all applicable laws, unless we waive this requirement in advance in writing. We have the right to approve the form of any agreements, and all modifications to them, between you and any person or entity providing alcoholic beverage services to you, and the quality and brands of beer, wine and other beverages we have approved to be sold at the **Family Sports Pub**.

11.16 **Authorization to Release Information.** You hereby authorize (and agree to execute any other documents deemed necessary to effect such authorization) all banks, financial institutions, businesses, suppliers, manufacturers, contractors, vendors and other persons or entities with whom you do business with to disclose to us any financial information in their possession relating to you or the **Family Sports Pub** which we may request. You further authorize us to disclose to prospective franchisees or other third parties data from your reports if we determine, in our sole discretion, that such disclosure is necessary or advisable.

11.17 **Adequate Reserves and Working Capital.** You must at all times maintain adequate reserves and working capital sufficient for you to fulfill all your obligations under this Agreement and to cover the risks and contingencies of the franchised business for at least three months. These reserves may be in the form of cash deposits or lines of credit.

11.18 **Notification of Legal Proceedings; and Crisis Management Events.** You must notify us in writing within ten (10) days after you receive actual notice of the commencement of any investigation, action, suit, or other proceeding, or the issuance of any order, writ, injunction, award, or other decree of any court, agency, or other governmental authority that pertains to the **Family Sports Pub** or that may adversely affect your operation of the **Family Sports Pub** or ability to meet your obligations hereunder. Upon the occurrence of a "**Crisis Management Event**" (as defined herein), you shall immediately inform our president (or as otherwise instructed in the Manuals) by telephone. We will cooperate fully with you with respect to your response to the Crisis Management Event. For purposes of this Agreement, "**Crisis Management Event**" means any event that occurs at or about the Family Sports Pub that has or may cause harm or injury to customers or employees, such as food contamination, food spoilage/poisoning, food tampering/sabotage, contagious diseases, natural disasters, terrorist acts, shootings, or any other circumstance which may damage the System, the Marks, or image or reputation of us or our affiliates.

11.19 **Variation of Terms.** You acknowledge that because uniformity under many varying conditions may not be possible or practical, we reserve the right to materially vary our standards or franchise agreement terms for any franchised **Family Sports Pub**, based on the timing of the grant of the franchise, the peculiarities of the particular protected territory or circumstances, business potential, population, existing business practices, other non-arbitrary distinctions or any other condition which we consider important to the successful operation of the franchised **Family Sports Pub**. You will have no right to require us to disclose any variation or to grant the same or a similar variation to you.

## 12. **MARKETING AND PROMOTION.**

12.1 **Establishment of Marketing and Development Fund.** Recognizing the value of advertising and marketing to the goodwill and public image of **Family Sports Pubs**, we have established a system-wide marketing and development fund (the "**Marketing and Development Fund**") for such advertising, marketing and public relations programs and materials we deem necessary or appropriate in our sole discretion. You agree to contribute to the **Marketing and Development Fund** (the "**Marketing Contributions**"), 1.5% of your monthly **Adjusted Gross Sales** (except as described below), payable in the same manner as the Royalty. The **Marketing and Development Fund** will be operated by us or our designee in accordance with the terms of this Agreement and the **Marketing and Development Fund Policies**. Currently, the **Marketing and Development Fund** is operated by **Beef 'O' Brady's Marketing and Development Fund, Inc.** (the "**Marketing Fund Corporation**"), a Florida not for profit corporation as our designee. We reserve the right to charge a separate

fee for the development, hosting and maintenance of Internet and Intranet Websites. We reserve the right to defer or reduce contributions of a **Family Sports Pub** franchisee and, upon 30 days' prior written notice to you, to reduce or suspend contributions to and operations of the **Marketing and Development Fund** for one or more periods of any length and to terminate (and, if terminated, to reinstate) the **Marketing and Development Fund**. If the **Marketing and Development Fund** is terminated, all unspent monies on the date of termination will be distributed to our franchisees in proportion to their respective contributions to the **Marketing and Development Fund** during the preceding 12-month period. Our affiliates will contribute to the **Marketing and Development Fund** on the same basis as franchise owners for any **Family Sports Pubs** they own and operate.

12.2 **Local Advertising.** We recommend that you spend a minimum amount equal to 2.5% of the monthly **Adjusted Gross Sales** of your **Family Sports Pub** for local advertising. You must obtain and maintain records demonstrating your local advertising efforts and associated spending and submit them to us upon our request. You must open and maintain a separate bank account for your monthly contributions to local advertising.

12.3 **Use of the Funds.** We or our designee will direct all programs financed by the **Marketing and Development Fund**, with sole control over the creative concepts, materials and endorsements, and the geographic, market, media placement and allocation and any Internet or Intranet websites, networks or communities it operates or participates in, or which requires your participation. You agree that the **Marketing and Development Fund** may be used to pay the costs of preparing or producing video, audio, Internet, Intranet, e-commerce, Website or written advertising materials; administering national or regional advertising programs, including, without limitation: purchasing direct mail or other media advertising; or employing or contracting with advertising, promotion or marketing agencies; supporting public relations; market research; other advertising, promotion or marketing activities; conducting product development; research; developing new purchasing and marketing programs, campaigns or networks (including via Internet, Intranet, Website(s) or other forms of e-commerce); all costs associated directly or indirectly with the operation, maintenance, hosting or development of websites bearing our marks; or establishing Internet, Intranet, Website or other forms of e-commerce communities, networks, systems, methods, processes, databases or monitoring systems, which may include our establishing one or more Internet or Intranet Websites for purposes of: linking suppliers of products and services to our Website(s); our electronic monitoring your performance under this Agreement; our sharing or selling information to third parties; our establishing business to business or business to customer e-commerce; promoting the development and growth of franchises or soliciting franchisees; or your reporting of **Royalties, Gross Sales** and **Adjusted Gross Sales** or other information as we designate from time to time. The **Marketing and Development Fund** may be used and for defraying the reasonable salaries (whether individuals directly employed by us or under agreement with us), administrative hosting, development maintenance costs and overhead incurred by us our designees in connection with the **Marketing and Development Fund**. The **Marketing and Development Fund** may periodically furnish you with samples of advertising, marketing and promotional formats and materials at no cost. Multiple copies of such materials will be furnished to you at our direct cost of producing them, plus any related shipping, handling and storage charges.

12.4 **Accounting for the Funds.** The **Marketing and Development Fund** will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for such reasonable salaries, administrative costs, travel expenses and overhead as we may incur in activities related to the administration of the **Marketing and Development Fund** and its programs, including, without limitation, conducting market surveys, preparing advertising, promotion and marketing materials and collecting and accounting for contributions to the **Marketing and Development Fund**. We or our designee may spend, on behalf of the **Marketing and Development Fund**, in any fiscal year an amount greater or less than the aggregate contribution of all **Family Sports Pubs** to the **Marketing and Development Fund** in that year, and the **Marketing and Development Fund** may borrow from us or others to cover deficits or invest any surplus for future use. All interest earned on monies contributed to the **Marketing and Development Fund** will be used to pay advertising costs before other assets of the **Marketing and Development Fund** are expended. We or our designee will prepare a periodic statement of monies collected and costs incurred by the **Marketing and**

**Development Fund** and furnish the statement to you upon written request. We or our designee have the right to cause the **Marketing and Development Fund** to be incorporated or operated through a separate entity at such time as we deem appropriate, and such successor entity will have all of the rights and duties specified in this **Agreement**.

12.5 **Marketing and Development Fund Limitations.** You acknowledge that the **Marketing and Development Fund** is intended to maximize recognition of the **Marks** and patronage of **Family Sports Pubs**. Although we or our designee will endeavor to utilize the **Marketing and Development Fund** to develop advertising and marketing materials and programs and to place advertising that will benefit all **Family Sports Pubs**, we or our designee undertake no obligation to ensure that expenditures by the **Marketing and Development Fund** in or affecting any geographic area are proportionate or equivalent to the contributions to the **Marketing and Development Fund** by **Family Sports Pubs** operating in that geographic area or that any **Family Sports Pub** will benefit directly or in proportion to its contribution to the **Marketing and Development Fund** from the development of advertising and marketing materials or the placement of advertising. Except as expressly provided in this **Section**, we or our designee assume no direct or indirect liability or obligation to you with respect to collecting amounts due to the **Marketing and Development Fund**.

12.6 **Advertising and Promotion.** You agree that any advertising, promotion and marketing you conduct will be completely clear and factual and not misleading and conform to the highest standards of ethical marketing and the promotion policies which we prescribe from time to time. Samples of all advertising, promotional and marketing materials which we have not prepared or previously approved must be submitted to us for approval before you use them. If you do not receive written disapproval within 30 days after our receipt of such materials, we will be deemed to have given the required approval. You may not use any advertising or promotional materials that we have disapproved.

12.7 **Directory Listings.** In addition to your obligation to participate in the **Marketing and Development Fund** and conduct local advertising, at your expense, you agree to obtain telephone directory listings in the "white and yellow pages" in the size and manner we specify, displaying the **Marks**. If other franchise owners operate **Family Sports Pubs** in the market area serviced by the directories, then you will participate in and pay your pro rata share (based on number of **Family Sports Pubs**) of the cost of such listings and advertising.

12.8 **Websites.** You acknowledge and agree that any **Website** constitutes "advertising" under this **Agreement**. Any **Website** you develop or utilize must meet all other terms and conditions for advertising described in this **Agreement**. For this purpose, a "**Website**" means an interactive electronic document(s), contained in a network of computers linked by communications software, that you operate or authorize others to operate that refers to your **Family Sports Pub**, the **Marks**, us, and/or the **System**. The term **Website** also includes Internet, Intranet and World Wide Web home pages or e-mail address sites. You must not establish any **Website** without our prior written approval of its form, content and information presented due to our substantial interest in protecting the **Marks**, the **System** and the **Confidential Information**. We may require you to participate in a centralized **Website** operated by us, without any compensation to you. We may refuse to permit you to operate or establish any **Website**. We reserve the right to establish one or more Internet, Intranet or other forms of e-commerce **Websites**, networks or communities for purposes of: promoting the development, growth, sales and solicitation of franchises; our establishing or participating in, and requiring or authorizing your participation in, or in connection with: e-commerce; establishing purchasing, supply or referral programs, networks or communities in which you must participate; or monitoring your performance under this **Agreement** and other purposes we designate from time to time which we deem to promote the development and operation of the **System**. From time to time we will establish and notify you of our establishment of website policies and other forms of e-commerce policies, which will become part of our **System Standards** and be provided in the **Manual** or other written communication by you. We own all right, title and interest in and to information compiled from, derived from or obtained by us via your or our use of **Websites** or our establishment of the

Intranet, Internet or other forms of e-commerce networks or communities. Furthermore, you agree to the following:

(a) **Website**. You agree that we may establish electronic links from our **Website** to your **Website**, and that other franchise associates may establish electronic links to your **Website** from their **Websites**; without any compensation to you. We may prohibit you from linking any **Website** to your **Website** for any reason without compensation to you.

(b) **Use of Marks**. You must not use any **Mark** as part of any URL domain name, Internet or e-mail address, or any other identification of you in any electronic medium or with any prefix, suffix or other modifying words, terms, designs, or symbols, or in any modified form, without our written consent.

(c) **Obligations on Termination**. If this **Agreement** expires or terminates for any reason, you must immediately stop using any **Website** that utilizes any of the **Marks** or the **System**, or that are linked to any of our **Websites** or the **Website** of any of our franchise associates. You must also then remove and change any **Website**, domain names, Internet or intranet addresses, e-mail addresses or other identification that utilize any of the **Marks**.

(d) **E-Mail Address**. You agree to establish, maintain and notify us of an active e-mail address at all times, and notify us of a change in email address within 3 business days of the change.

12.8 **Electronic Media**. You may not separately register any domain name or any portion of any domain name containing the **Marks** or participate or market on any website or other form of electronic media (including, without limitation, through the use of social technology, social media, social networking platforms or other forms of electronic media not yet developed) using the **Marks** without prior express written approval from us. Your general conduct on the Internet and in the use of other forms of electronic media is subject to the terms and conditions of this Agreement and all other rules, requirements or policies that we may identify from time to time. You must provide us with all proposed content for our Internet marketing programs, and you will sign Internet and intranet usage agreements, if any, as requested by us. Section 12.6 of this Agreement shall not apply to your use of the Internet; however, we may, at any time after you commence use of any approved electronic media, prohibit further use, effective upon receipt of written notice by you.

### 13. **RECORDS, REPORTS AND FINANCIAL STATEMENTS.**

13.1 **Accounting System**. You agree to establish and maintain at your own expense a bookkeeping, accounting and recordkeeping system conforming to the requirements and formats we prescribe from time to time. We may require you to use approved computer hardware, software and **Websites** in order to maintain certain sales data and other information we designate from time to time, including updating of **Manuals** and for communication purposes. You agree that we may have access to such sales data and other information through the computer system at all times.

13.2 **Reports**. You agree to furnish to us on such forms that we prescribe from time to time:

(a) **Development and Opening Progress**. Following the **Effective Date**, and weekly thereafter until your Pub opens, a report of your progress in the development and opening of your **Family Sports Pub**;

(b) **Sales Tax**. At our request, within 5 days after their filing, copies of all sales tax and alcohol surtax returns for the **Family Sports Pub** and copies of the canceled checks for the required sales taxes and alcohol surtaxes;

(c) **Gross Sales.** On Friday of each calendar week, a report on the **Family Sports Pub's Gross Sales** and **Adjusted Gross Sales** during the immediately preceding calendar week (Monday through Sunday);

(d) **Quarterly Profit and Loss Statement.** Within 30 days after the end of each calendar quarter, a profit and loss statement for the **Family Sports Pub** for the immediately preceding calendar month and year-to-date and a balance sheet as of the end of such month;

(e) **Annual Profit and Loss Statement.** Within 30 days after the end of the **Family Sports Pub's** fiscal year, annual profit and loss and source and use of funds statements and a balance sheet for the **Family Sports Pub** as of the end of such fiscal year; and

(f) **State and Federal Tax Returns.** Within 10 days after our request, exact copies of federal and state income and other tax returns and such other forms, records, books and other information we may periodically require.

We may require that any of the reports described in this **Section 13.2** or any information you are required to provide us under this Agreement or our System Standards be provided to us in electronic format via a secure Website (Internet or Intranet) at times and in the manner we designate, from time to time.

13.3 **Access to Information.** You agree to verify and sign each report and financial statement in the manner we prescribe. We have the right to disclose data derived from such reports without identifying you or the location of the **Family Sports Pub**. We also have the right to require you to have reviewed or audited financial statements prepared on an annual basis if we reasonably believe that the reports are incorrect. Moreover, we have the right as often as we deem appropriate (including on a daily basis) to access, electronically or otherwise, all computer registers and other computer systems that you are required to maintain in connection with the operation of the **Family Sports Pub** and to retrieve electronically or otherwise, all information (including sales, product mix, or other information) relating to the **Family Sports Pub's** operations.

13.4 **Copies of Reports.** You agree to furnish us with a copy of all sales, income and other tax returns relating to your **Family Sports Pub**, at our request. You will also send us copies of any sales or other reports sent to any landlord or governmental agency, at our request.

#### 14. **INSPECTIONS AND AUDITS.**

14.1 **Our Right to Inspect the Family Sports Pub.** To determine whether you and the **Family Sports Pub** are complying with this Agreement and all System Standards, we and our designated agents have the right at any time during your regular business hours without prior notice, to:

(a) **Inspection.** Inspect the **Family Sports Pub**;

(b) **Observation of Operations.** Observe, photograph and videotape the operations of the **Family Sports Pub** for such consecutive or intermittent periods as we deem necessary;

(c) **Testing and Analysis of Products.** Remove samples of any products, materials or supplies for testing and analysis;

(d) **Interviewing.** Interview personnel and customers of the **Family Sports Pub**; and

(e) **Inspection of Books and Records.** Inspect and copy any books, records and documents relating to your operation of the **Family Sports Pub**.



You agree to cooperate with us fully in connection with any such inspections, observations, photographing, videotaping, product removal, interviews and electronic (Internet or Intranet) record access. You agree to present to your customers such evaluation forms that we periodically prescribe and to participate and/or request your customers to participate in any surveys performed by us or on our behalf. You agree to correct or repair any unsatisfactory conditions we specify within 5 days.

14.2 **Our Right to Audit.** We have the right at any time during your business hours to inspect and audit, or cause to be inspected and audited, your (if you are a **Business Entity**) and the **Family Sports Pub's** business, bookkeeping and accounting records, purchasing records, advertising and marketing records and expenditures, sales and income tax records and returns and other records. You agree to cooperate fully with our representatives and independent accountants we hire to conduct any such inspection or audit. If our inspection or audit is made necessary by your failure to furnish reports, supporting records or other information we require, or to furnish such items on a timely basis, or if the information is not accurate (i.e., your **Gross Sales** or **Adjusted Gross Sales** are understated by 3% or more), you agree to reimburse us for the cost of such inspection or audit, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board and wages of our employees. You also must pay us any shortfall in the amounts you owe us, including late fees and interest, within 10 days of our notice. The foregoing remedies are in addition to our other remedies and rights under this **Agreement** and applicable law, which may include termination of this **Agreement**.

## 15. TRANSFER.

15.1 **By Us.** This **Agreement** is fully transferable by us, and inures to the benefit of any transferee or other legal successor to our interests, as long as such transferee or successor agrees to be bound by, and assumes all of our continuing obligations under, this **Agreement**.

15.2 **By You.** You understand and acknowledge that the rights and duties created by this Agreement are personal to you (or, if you are a Business Entity, to your Owners) and that we have granted the Franchise to you in reliance upon our perceptions of your (or your Owners') individual or collective character, skill, aptitude, attitude, business ability and financial capacity. Accordingly, neither this Agreement (or any interest in it) nor any ownership or other interest in you or the Family Sports Pub may be transferred without our prior written approval. Any Transfer without such approval constitutes a breach of this Agreement and is void and of no effect. As used in this Agreement, the term "Transfer" includes your (or your Owners') voluntary, involuntary, direct or indirect assignment, sale, gift or other disposition of any interest in: (a) you; (b) this Agreement; or (c) the Family Sports Pub. **An assignment, sale, gift or other disposition includes the following events: (i) transfer of or change in ownership of capital stock or a partnership interest; (ii) merger or consolidation or issuance of additional securities or interests representing an ownership interest in you; (iii) any issuance or sale of your stock or any security convertible to your stock; (iv) transfer of an interest in you, this Agreement or the Family Sports Pub in a divorce, insolvency or corporate or partnership dissolution proceeding or otherwise by operation of law; (v) transfer of an interest in you, this Agreement or the Family Sports Pub, in the event of your death or the death of one of your Owners, by will, declaration of or transfer in trust or under the laws of intestate succession; or (vi) pledge of this Agreement (to someone other than us) or of an ownership interest in you as security, foreclosure upon the Family Sports Pub or your transfer, surrender or loss of possession, control or management of the Family Sports Pub.**

15.3 **Conditions for Approval of Transfer.** If you (and your Owners) are in full compliance with this **Agreement**, then subject to the other provisions of this **Section 15**, we will not unreasonably withhold approval of a **Transfer** that meets all the applicable requirements of this **Section**. The proposed transferee and its direct and indirect owners must be individuals of good character and otherwise meet our then applicable standards for **Family Sports Pub** franchisees. A **Transfer** of ownership, possession or control of the **Family Sports Pub** may only be made if the transferee enters into a new Franchise Agreement. If the **Transfer** is of your **Family Sports Pub(s)** or a controlling interest in you, or is one of a series of transfers which in the

aggregate constitutes the **Transfer** of your **Family Sports Pub(s)** or a controlling interest in you, all of the following conditions must be met prior to or concurrently with the effective date of any **Transfer**:

(a) **Business Experience.** The transferee has sufficient business experience, aptitude and financial resources to operate the **Family Sports Pub** and has been approved as a franchisee;

(b) **Payment of Royalties and Fees Owed.** You have paid all **Royalties, Marketing and Development Fund** contributions, amounts owed for purchases from us and all other amounts owed to us or to third-party creditors and have submitted all required reports and statements;

(c) **Completion of Initial Training.** The transferee (and its **Two Designated Managers**) and its managerial employee (if different from your manager) have completed our training program;

(d) **New Franchise Agreement.** The transferee has agreed to enter into a new Franchise Agreement;

(e) **Transfer Fee Paid.** You or the transferee pay us a transfer fee equal to the lesser of \$20,000 or 50% of the then current Franchise Fee (the "**Transfer Fee**"), ½ of which is payable prior to the transferee's **Trainees** beginning training. The **Transfer Fee** is used to defray expenses we incur in connection with the **Transfer** and the costs of training up to 2 **Trainees** of the Transferee (one of whom must be a managerial employee responsible for the **Family Sports Pub's** kitchen operations). We may provide training to your employees, other than **Trainees**. If we do so, you must pay us a fee not to exceed \$875 per person trained by us (other than the 2 **Trainees** described above). You must pay all travel, wages and living expenses for you, other trainees and your employees to attend the training. This subsection will not apply if the proposed **Transfer** is among your **Owners**, but the transferee is required to reimburse us for any administrative costs we incur in connection with the **Transfer**;

(f) **Costs of Compliance.** The transferee agrees to pay the costs required to bring the **Family Sports Pub** into compliance with the then current **System Standards**;

(g) **General Release.** You (and your transferring **Owners**) have executed a general release, in the form attached to the Franchise Disclosure Document, of any and all claims against us and our shareholders, officers, directors, employees and agents;

(h) **Approval of Terms and Conditions.** We have approved the material terms and conditions of such **Transfer** and determined that the price and terms of payment will not adversely affect the transferee's operation of the **Family Sports Pub**;

(i) **Subordination of Financing.** If you or your **Owners** finance any part of the sale price of the transferred interest, you and/or your **Owners** have agreed that all of the transferee's obligations pursuant to any promissory notes, agreements or security interests that you or your **Owners** have reserved in the **Family Sports Pub** are subordinate to the transferee's obligation to pay **Royalties, Marketing and Development Fund** contributions and other amounts due to us and otherwise to comply with this **Agreement**;

(j) **Non-Compete Covenant.** You and your transferring **Owners** have executed a non-competition covenant in favor of us and the transferee agreeing to be bound, commencing on the effective date of the **Transfer**, by the post-term competitive restrictions otherwise contained in this **Agreement**; and

(k) **Cease Use of Marks.** You and your transferring owners have agreed that you and they will not directly or indirectly at any time or in any manner (except with respect to other **Family Sports Pubs** you own and operate) identify yourself or themselves or any business as a current or former **Family**

**Sports Pub**, or as one of our licensees or franchisees, use any **Mark**, any colorable imitation of a **Mark**, or other indicia of a **Family Sports Pub** in any manner or for any purpose or utilize for any purpose any trade name, trade or service mark or other commercial symbol that suggests or indicates a connection or association with us.

15.4 **Transfer to a Business Entity.** Notwithstanding the foregoing, if you are in full compliance with this **Agreement**, you may **Transfer** this **Agreement** to a **Business Entity** that conducts no business other than the **Family Sports Pub** and, if applicable, other **Family Sports Pub** so long as you own, control and have the right to vote 51% or more of its issued and outstanding ownership interests (like stock or partnership interests) and you guarantee its performance under this **Agreement**. All other owners are subject to our approval. The organizational or governing documents of the **Business Entity** must recite that the issuance and **Transfer** of any ownership interests in the **Business Entity** are restricted by the terms of this **Agreement**, are subject to our approval, and all certificates or other documents representing ownership interests in the **Business Entity** must bear a legend referring to the restrictions of this **Agreement**. As a condition of our approval of the issuance or **Transfer** of ownership interests to any person other than you, we may require (in addition to the other requirements we have the right to impose) that the proposed owner execute an agreement, in a form provided or approved by us, agreeing to be bound jointly and severally by, to comply with, and to guarantee the performance of, all of the your obligations under this **Agreement**.

15.5 **Transfer Upon Death or Disability.** Upon your death or disability or, if you are a **Business Entity**, the death or disability of the **Owner** of a controlling interest in you, your or such **Owner's** executor, administrator, conservator, guardian or other personal representative must transfer your interest in this **Agreement** or such **Owner's** interest in you to a third party. Such disposition of this **Agreement** or the interest in you (including, without limitation, transfer by bequest or inheritance) must be completed within a reasonable time, not to exceed 6 months from the date of death or disability, and will be subject to all of the terms and conditions applicable to transfers contained in this **Section**. A failure to transfer your interest in this **Agreement** or the ownership interest in you within this period of time constitutes a breach of this **Agreement**. For purposes of this **Agreement**, the term "disability" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent you or an **Owner** of a controlling interest in you from managing and operating the **Family Sports Pub**.

15.6 **Operation Upon Death or Disability.** If, upon your death or disability or the death or disability of the owner of a controlling interest in you, the **Family Sports Pub** is not being managed by a trained manager, your or such **Owner's** executor, administrator, conservator, guardian or other personal representative must within a reasonable time, not to exceed 15 days from the date of death or disability, appoint a manager to operate the **Family Sports Pub**. Such manager will be required to complete training at your expense. Pending the appointment of a manager as provided above or if, in our judgment, the **Family Sports Pub** is not being managed properly any time after your death or disability or after the death or disability of the owner of a controlling interest in you, we have the right, but not the obligation, to appoint a manager for the **Family Sports Pub**. All funds from the operation of the **Family Sports Pub** during the management by our appointed manager will be kept in a separate account, and all expenses of the **Family Sports Pub**, including wages, other costs and travel and living expenses of our manager, will be charged to this account. We also have the right to charge a reasonable management fee (in addition to the **Royalty and Marketing and Development Fund** contributions payable under this **Agreement**) during the period that our appointed manager manages the **Family Sports Pub**. Operation of the **Family Sports Pub** during any such period will be on your behalf, provided that we only have a duty to utilize our best efforts and will not be liable to you or your **Owners** for any debts, losses or obligations incurred by the **Family Sports Pub** or to any of your creditors for any products, materials, supplies or services the **Family Sports Pub** purchases during any period it is managed by our appointed manager.

15.7 **Effect of Consent to Transfer.** Our consent to a **Transfer** of your **Family Sports Pub(s)** or any interest in you does not constitute a representation as to the fairness of the terms of any contract between

you and the transferee, a guarantee of the prospects of success of the **Family Sports Pub(s)** or transferee or a waiver of any claims we may have against you (or your **Owners**).

15.8 **Our Right of First Refusal.** If you (or any of your **Owners**) at any time determine to sell, assign or **Transfer** for consideration an interest in your the **Family Sports Pub(s)** or an ownership interest in you, you (or such **Owner**) agree to obtain a bona fide, executed written offer and earnest money deposit (in the amount of 5% or more of the offering price) from a responsible and fully disclosed offeror (including lists of the owners of record and all beneficial owners of any corporate or limited liability company offeror and all general and limited partners of any partnership offeror) and immediately submit to us a true and complete copy of such offer, which includes details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price. To be a valid, bona fide offer, the proposed purchase price must be denominated in a dollar amount. The offer must apply only to an interest in the **Family Sports Pub** and may not include an offer to purchase any of your (or your **Owners'**) other property or rights. However, if the offeror proposes to buy any other property or rights from you (or your **Owners**) under a separate, contemporaneous offer, such separate, contemporaneous offer must be disclosed to us, and the price and terms of purchase offered to you (or your **Owners**) for the interest in you or the **Family Sports Pub** must reflect the bona fide price offered and not reflect any value for any other property or rights.

We have the right, exercisable by written notice delivered to you or your selling **Owner(s)** within 30 days from the date of the delivery to us of both an exact copy of such offer and all other information we request, to purchase such interest for the price and on the terms and conditions contained in such offer, provided that:

- (a) **Form of Payment.** We may substitute cash for any form of payment proposed in such offer (with a discounted amount if an interest rate will be charged on any deferred payments);
- (b) **Credit.** Our credit will be deemed equal to the credit of any proposed purchaser;
- (c) **Timing of Purchase After Notice.** We will have not less than 60 days after giving notice of our election to purchase to prepare for closing; and
- (d) **Representations and Warranties.** We are entitled to receive, and you and your **Owners** agree to make, all customary representations and warranties given by the seller of the assets of a business or the capital stock of an incorporated business, as applicable, including, without limitation, representations and warranties as to: (i) ownership and condition of and title to stock or other forms of ownership interest and/or assets; (ii) liens and encumbrances relating to the stock or other ownership interest and/or assets; and (iii) validity of contracts and the liabilities, contingent or otherwise, of the corporation whose stock is being purchased.

If we exercise our right of first refusal, you and your selling **Owner(s)** agree that, for a period of 2 years commencing on the date of the closing, you and they will be bound by the post-term competitive restrictions otherwise described in this **Agreement**.

If we do not exercise our right of first refusal, you or your **Owners** may complete the sale to such purchaser pursuant to and on the exact terms of such offer, subject to our approval of the **Transfer** as otherwise provided in this **Agreement**, provided that, if the sale to such purchaser is not completed within 120 days after delivery of such offer to us, or if there is a material change in the terms of the sale (which you agree promptly to communicate to us), we will have an additional right of first refusal during the 30-day period following either the expiration of such 120-day period or notice to us of the material change(s) in the terms of the sale, either on the terms originally offered or the modified terms, at our option.

16. **TERMINATION OF AGREEMENT.**

16.1 **By You.** If you and your **Owners** are in compliance with this **Agreement** and we materially fail to comply with this **Agreement** and do not correct or commence correction of such failure within 60 days after written notice of such material failure is delivered to us, you may terminate this **Agreement** effective 60 days after delivery to us of written notice of termination. Your termination of this **Agreement** for any other reason or without such notice will be deemed a termination without cause.

16.2 **By Us.** We have the right to terminate this **Agreement**, effective upon delivery of written notice of termination to you, if:

(a) **Material Misrepresentations.** You (or any of your **Owners**) have made any material misrepresentation or omission in connection with your purchase of the **Franchise**;

(b) **Failure to Complete Initial Training.** You or the required number of your **Two Designated Managers** fail to successfully complete **Beef's Boot Camp** to our satisfaction or you have not fulfilled all of the conditions for management of the **Family Sports Pub**;

(c) **Failure to Obtain Site Approval or Commence Construction.** You (i) fail to obtain our approval of the **Site** or **Center** within the required time periods or (ii) fail to commence construction of the **Family Sports Pub** within 6 months of the **Effective Date**;

(d) **Abandonment.** You abandon or fail to actively operate the **Family Sports Pub** for 2 or more consecutive business days, unless the **Family Sports Pub** has been closed for a purpose we have approved or because of casualty or government order;

(e) **Transfer Without Consent.** You surrender or **Transfer** control of the operation of the **Family Sports Pub** without our prior written consent;

(f) **Conviction of Felony or Serious Crime.** You (or any of your **Owners**) are or have been convicted by a trial court of, or plead or have pleaded no contest, or guilty, to, a felony or other serious crime or offense that is likely to adversely affect your reputation, our reputation or the reputation of any other **Family Sports Pub**;

(g) **Dishonest or Unethical Conduct.** You (or any of your **Owners**) engage in any dishonest or unethical conduct which may adversely affect the reputation of the **Family Sports Pub** or another **Family Sports Pub** or the goodwill associated with the **Marks**;

(h) **Unauthorized Assignment.** You (or any of your **Owners**) make an unauthorized assignment of this **Agreement** or of an ownership interest in you or the **Family Sports Pub**;

(i) **Your Death or Disability.** In the event of your death or disability or the death or disability of the **Owner** of a controlling interest in you, this **Agreement** or such **Owner's** interest in you is not assigned as required under this **Agreement**;

(j) **Loss of Possession.** You lose the right to possession of the **Site**;

(k) **Unauthorized Use of Confidential Information.** You (or any of your **Owners**) make any unauthorized use or disclosure of any **Confidential Information** or use, duplicate or disclose any portion of the **Manuals** in violation of this **Agreement**;

(l) **Violation of Health or Safety Regulations.** You violate any health, safety or sanitation law, ordinance or regulation and do not begin to cure the noncompliance or violation immediately, and

correct such noncompliance or violation within 5 days, after written notice is delivered to you, except we may require the immediate shut down of your **Family Sports Pub** in the event we deem such violation to be a health threat to anyone;

(m) **Failure to Pay Amounts Due Us.** You fail to make payments of any amounts due to us or our affiliates under this **Agreement** or any other agreement that you have with us, and do not correct such failure within 10 days after written notice of such failure is delivered to you;

(n) **Failure to Pay Amounts Due Suppliers.** You fail to make payments of any amounts due to approved suppliers of products or services and do not correct such failure within 10 days after written notice of such failure is delivered to you by such supplier;

(o) **Failure to Pay Taxes.** You fail to pay when due any federal or state income, service, sales or other taxes due on the operations of the **Family Sports Pub**, unless you are in good faith contesting your liability for such taxes;

(p) **Failure to Comply with Franchise Agreement or System Standards.** You (or any of your **Owners**) fail to comply with any other provision of this **Agreement** or any **System Standard** and do not correct such failure within 30 days after written notice of such failure to comply is delivered to you;

(q) **Failure to Comply with Proprietary Materials.** You fail to purchase and maintain in inventory such types and quantities of “Beef ‘O’ Brady’s®” products, Proprietary Materials, or non-proprietary materials as are needed to meet reasonably anticipated consumer demand and/or if you purchase “Beef ‘O’ Brady’s®” products, Proprietary Materials or non-proprietary materials from any supplier other than us or our designees, and you fail to cure such defaults within three (3) days after receiving notice to do so from us.

(r) **Failure to Submit Reports.** You (or any of your **Owners**) fail on 2 or more separate occasions within any period of 12 consecutive months or on 3 occasions during the term of this **Agreement** to submit when due reports or other data, information or supporting records, to pay when due any amounts due to us or otherwise to comply with this **Agreement**, whether or not such failures to comply were corrected after written notice of such failure was delivered to you; or

(s) **Bankruptcy/ Insolvency.** You make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; you consent to the appointment of a receiver, trustee or liquidator of all or the substantial part of your property; the **Family Sports Pub** is attached, seized, subjected to a writ or distress warrant or levied upon, unless such attachment, seizure, writ, warrant or levy is vacated within 30 days; or any order appointing a receiver, trustee or liquidator of you or the **Family Sports Pub** is not vacated within 30 days following the entry of such order. You are required to notify us in writing within 10 days of any of the above events.

16.3 **Your Failure to Pay Constitutes Your Termination of This Agreement.** Your failure to timely cure any breach of your obligation to make payments of **Royalties, Advertising Fund Contributions** or any other monies due and owing to us or our affiliates under this **Agreement**, or to timely cure any other material breach of this **Agreement** committed by you, in either instance following our notice to you that you have committed a breach of this **Agreement** and granting you an opportunity to cure said breach, will be irrevocably deemed to constitute your unilateral rejection and termination of this **Agreement** and all related agreements between you and us or our affiliates, notwithstanding that a formal notice of such termination(s) ultimately issues from us, and you must never contend or complain otherwise.

16.4 **Cross-Default.** Any default or breach by you, your affiliates and/or any guarantor of yours of any other agreement between us or our affiliates and you and/or such other parties will be deemed a default

under this **Agreement**, and any default or breach of this **Agreement** by you and/or such other parties will be deemed a default or breach under any and all such other agreements between us or our affiliates and you, your affiliates and/or any guarantor of yours. If the nature of the default under any other agreement would have permitted us (or our affiliate) to terminate this **Agreement** if the default had occurred under this **Agreement**, then we will have the right to terminate all such other agreements in the same manner provided for in this **Agreement** for termination hereof. Your “affiliates” means any persons or entities controlling, controlled by or under common control with you.

16.5 **Notice Required By Law.** Notwithstanding anything to the contrary contained in this **Section 16**, in the event any valid, applicable law of a competent governmental authority having jurisdiction over this Agreement and the parties hereto shall limit our right of termination hereunder or shall require longer notice periods than those set forth above, this Agreement shall be deemed amended to conform to the minimum notice periods or restrictions upon termination required by such laws and regulations. We will not, however, be precluded from contesting the validity, enforceability or application of such laws or regulations in any action, arbitration, hearing or dispute relating to this Agreement or the termination thereof.

16.6 **Interim Management.** After we have given you written notice that you are in default, we may (but are not obligated to) assume interim management of the **Family Sports Pub** during the pendency of any cure period or in lieu of immediately terminating this Agreement. If we elect to assume interim management of the **Family Sports Pub**, (i) our election will not relieve you of your obligations under this Agreement; (ii) we will not be liable for any debts, losses, costs or expenses incurred in the operation of the **Family Sports Pub** during any such interim management period; (iii) we will have the right to charge a reasonable fee for the management services; and (iv) you agree to, and hereby do, indemnify and hold us harmless against any and all claims, demands, judgments, fines, losses, liabilities, costs, amounts paid in settlement and reasonable expenses (including, but not limited to attorneys’ fees) incurred in connection with the interim management of the **Family Sports Pub**, other than those arising solely from our gross negligence or willful misconduct. We may delegate our responsibilities under this **Section 16.6** to any designee, employee or agent of ours, as we may direct.

## 17 **RIGHTS AND OBLIGATIONS UPON TERMINATION.**

17.1 **Payment of Amounts Owed To Us.** You agree to pay us within 15 days after the effective date of termination or expiration of this Agreement, or on such later date that the amounts due to us are determined, such Royalties, Marketing and Development Fund contributions, amounts owed for purchases from us, interest due on any of the foregoing and all other amounts owed to us which are then unpaid. In addition, to account for the actual damages that we shall suffer as a result of the termination of this Agreement during the 2-year period that we estimate will expire while we search for a replacement franchisee for the **Family Sports Pub** or for a replacement restaurant in the trade area of the **Family Sports Pub**, you shall also pay us, within thirty (30) days following the date of termination, an amount equal to the greater of (a) \$60,000 or (b) the aggregated **Royalties** and **Marketing Contributions** paid by your **Family Sports Pub** for the twelve (12) months immediately preceding the effective date of termination multiplied by two (2). In this regard, you acknowledge and agree that it would be impossible and impracticable to determine the precise amount of damages we will incur upon the termination of this **Agreement** due to the complications inherent in determining the amount of revenue lost by us because of the uncertainty regarding the number of months that will expire while we search for a replacement franchisee for the **Family Sports Pub** or for a replacement restaurant in the trade area of the **Family Sports Pub**. You further acknowledge and agree that this calculation of our potential damages is a reasonable, good faith estimate of such damages. If we are unable to make this calculation because of your failure to report the **Gross Sales** of the **Family Sports Pub**, we may estimate **the Gross Sales** of the **Family Sports Pub** for the applicable period based upon the historical financial information available to us at such time.

17.2 **Marks and De-Identification.** Upon the termination or expiration of this Agreement:

(a) **Notification.** You must notify us of your intent, and the date that you intend, to discontinue business of your Beef 'O' Brady's® **Family Sports Pub**. You agree that such notification does not release you from any obligations or liabilities under this Agreement.

(b) **Cease Identification as Licensee or Franchisee/Use of Marks.** You may not directly or indirectly at any time or in any manner (except with respect to other **Family Sports Pubs** you own and operate) identify yourself or any business as a current or former **Family Sports Pub**, or as one of our licensees or franchisees, use any Mark, any colorable imitation of a Mark or other indicia of a **Family Sports Pub** in any manner or for any purpose or utilize for any purpose any trade name, trade or service mark or other commercial symbol that indicates or suggests a connection or association with us. Within ten (10) days of termination or expiration you are to deliver to us, at your own expense, all signs, sign-faces, sign-cabinets, marketing materials, forms and other materials containing any Mark or otherwise identifying or relating to a Beef 'O' Brady's® **Family Sports Pub**. In our sole judgment, we may waive this requirement in writing provided that you provide a sworn Certificate of Destruction/De-identification detailing your compliance with these terms;

(c) **Cancel Fictitious Business Names.** You agree to take such action as may be required to cancel all fictitious or assumed name or equivalent registrations or licenses (including without limitation, any alcohol, city/state and health department licenses) relating to your use of any **Mark** and to provide us with a copy of business/fictitious name change documentation from the governing municipality within 15 days of the effective date of the termination/expiration of this **Agreement**;

(d) **Return of Signage.** If we do not have or do not exercise an option to purchase the **Family Sports Pub**, you agree to deliver to us within 10 days after, as applicable, the effective date of expiration/termination of this **Agreement** or the **Notification Date** all signs, sign-faces, sign-cabinets, marketing materials, forms and other materials containing any **Mark** or otherwise identifying or relating to a **Family Sports Pub** and allow us, without liability to you or third parties, to remove all such items from the **Family Sports Pub**;

(e) **De-Identification of Family Sports Pub.** If we do not have or do not exercise an option to purchase the **Family Sports Pub**, you agree that, after, as applicable, the effective date of expiration/terminations of this **Agreement** or the **Notification Date**, you will promptly and at your own expense make such alterations we specify to distinguish the **Family Sports Pub** clearly from its former appearance and from other **Family Sports Pubs** so as to prevent confusion by the public, including, without limitation, removing all exterior and interior signage bearing the **Beef 'O' Brady's®** name or logo including channel letter signage, pylon signage, interior signage and window decals; removing all furnishings bearing the **Beef 'O' Brady's®** name or logo; removing all memorabilia and décor items including pictures, jerseys, pennants, sporting good equipment, uniforms, plaques, etc. bearing inscriptions, engraving, autographs or any notation of any type that includes the **Beef 'O' Brady's®** name or logo; removing the System graphics and receipt printouts including the **Beef 'O' Brady's®** name or logo and the POS System data base key and forwarding it to us immediately upon closure of your **Family Sports Pub**; removing and ceasing to use all our private labeled food items including proprietary sauces, dressings and chips; removing all food presentation items such as our green plastic baskets, green checkered paper, current salad bowls, cups, plates, logo napkins and coasters, all retail merchandise bearing the **Beef 'O' Brady's®** name or logo; repainting of the interior of the restaurant to reflect a change in the basic color scheme from hunter green and gold so as to clearly distinguish from its former appearance/concept and from other **Beef 'O' Brady's® Family Sports Pubs** so as to prevent confusion by the public; removing TVs in any new restaurant so that the overall number of TVs does not exceed 5 units; removing any and all **Beef 'O' Brady's®** concepts or menu items from the menu, including chicken wings, beef, hamburgers, chicken or sandwiches, "signature items" by **Beef 'O' Brady's®** and removal of all "pinch hitter" special books, any new menu must differ significantly from the **Beef 'O' Brady's®** menu, and at least 51% of



the menu must have a different composition than any **Beef ‘O’ Brady’s®** menu; and any and all other alterations we specify to distinguish the **Family Sports Pub** clearly from its former appearance and from other **Family Sports Pubs**.

(f) **Return Proprietary Information.** If we do not have or do not exercise an option to purchase the **Family Sports Pub**, you must return to us all proprietary manuals including operations manuals, recipe playbooks, food service charts, prep sheets, HACCP materials, marketing workbooks and guides, marketing materials, and discount cards. These items are to be returned to us via ground delivery service, shipped no later than the day of closing, and a copy of the bill of lading/shipping order provided to us.

(g) **Unused Gift Certificates.** If we do not have or do not exercise an option to purchase the **Family Sports Pub**, you must destroy all remaining unused gift certificates. You must provide a signed and notarized statement attesting to the quantity (dollar amount) of unredeemed gift certificates outstanding and a method for reimbursement to franchise members of the **Beef ‘O’ Brady’s® System** for a period of one year from date of store closing. Reimbursement must be guaranteed by funds held in escrow or affidavit.

(h) **Telephone Directory Listings.** If we do not have or do not exercise an option to purchase the **Family Sports Pub** you agree that, after, as applicable, the effective date of expiration/termination of this **Agreement** or the **Notification Date**, you will obtain a new telephone number and notify the telephone company and all telephone directory publishers of the termination or expiration of your right to use any telephone, telecopy or other numbers and any regular, classified or other telephone directory listings formerly or currently used at or for the **Family Sports Pub**, authorize the transfer of such numbers and directory listings to us or at our direction and/or instruct the telephone company to forward all calls made to your telephone numbers to numbers we specify; and

(i) **Compliance with Obligations.** You agree to furnish us, within 30 days after, as applicable, the effective date of expiration of this **Agreement** or the **Notification Date**, with evidence satisfactory to us of your compliance with the foregoing obligations.

17.3 **Confidential Information.** You agree that, upon termination or expiration of this **Agreement**, you will immediately cease to use any of our **Confidential Information** in any business or otherwise and, within ten (10) days of the termination or expiration of this **Agreement**, return to us all copies of the **Manuals** and any other confidential materials that we have loaned to you.

17.4 **Competitive Restrictions.** Upon termination or expiration of this **Agreement** for any reason whatsoever (and you have not acquired, a **Successor Franchise**), you agree that, for a period of 2 years commencing on the effective date of termination or expiration neither you nor any of your **Owners** will have any direct or indirect interest (including through a spouse, child or other **Family Member**) as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, member, manager, representative or agent or in any other capacity in any **Competitive Business** operating:

(a) **At the Site.** At the **Site** or within the **Protected Territory**;

(b) **Within 15 Miles of Site.** Within 15 miles of the **Site** or **Protected Territory**; or

(c) **Within 15 Miles of Another Family Sports Pub.** Within 15 miles of any other **Family Sports Pub** in operation or under construction on the later of the effective date of the termination or expiration.

If any person restricted by this **Section** refuses voluntarily to comply with the foregoing obligations, the 2-year period will commence with the entry of an order of an arbitrator, or court if necessary, enforcing this

provision. You expressly acknowledge that you possess skills and abilities of a general nature and have other opportunities for exploiting such skills. Consequently, enforcement of the covenants made in this **Section** will not deprive you or your **Owners** of your or their personal goodwill or ability to earn a living. All persons with an ownership or voting interest in you if you are a **Business Entity** franchisee, all individual franchisees if you are not a **Business Entity** and any person employed by or under an independent contractor relationship with you whom receives or will receive any training by us or you which is directly or indirectly related to the **System** or involves any of the **Confidential Information** must execute the Confidentiality, Nonsolicitation and Noncompetition Agreement attached to this Agreement as **Exhibit H** no later than ten days following the effective date of this **Agreement** (or, if any individual or entity attains such status after the effective date of this **Agreement**, within ten days following such individual or entity's attaining such status). In addition, subject to **Section 17.5** below, upon termination or expiration of this Agreement for any reason whatsoever (and you have not acquired, a Successor Franchise), you agree that you will not sell any fixtures, furniture, equipment, signs, inventory, materials and/or supplies to any third party that will or plans to open a **Competitive Business** at the **Site**.

#### 17.5 **Our Right to Purchase.**

(a) **Exercise of Option.** Upon our termination of this **Agreement** in accordance with its terms and conditions or your termination of this **Agreement** without cause, we have the option, exercisable by giving written notice to you within 60 days from the date of such termination, to purchase the **Family Sports Pub** from you, including the leasehold rights to the **Site**. (The date on which we notify you whether or not we are exercising our option is referred to in this **Agreement** as the "**Notification Date**"). We have the unrestricted right to assign this option to purchase the **Family Sports Pub**. We will be entitled to all customary warranties and representations in connection with our asset purchase, including, without limitation, representations and warranties as to ownership and condition of and title to assets; liens and encumbrances on assets; validity of contracts and agreements; and liabilities affecting the assets, contingent or otherwise.

(b) **Leasehold Rights.** You agree at our election: (i) to assign your leasehold interest in the **Site** to us; (ii) to enter into a sublease for the remainder of the lease term on the same terms (including renewal options) as the prime lease; or (iii) to lease to us if you own the **Site** in accordance with the Agreement to Lease and our Standard Lease Agreement.

(c) **Purchase Price.** The purchase price for the **Family Sports Pub** will be its fair market value, determined in a manner consistent with reasonable depreciation of the **Family Sports Pub's** equipment, signs, inventory, materials and supplies, provided that the **Family Sports Pub** will be valued as an independent business and its value will not include any value for: (i) the **Franchise** or any rights granted by this **Agreement**; (ii) the Marks; or (iii) participation in the network of **Family Sports Pubs**.

The **Family Sports Pub's** fair market value will include the goodwill you developed in the market of the **Family Sports Pub** that exists independent of the goodwill of the **Marks** and the **System**. The length of the remaining term of the lease for the **Site** will also be considered in determining the **Family Sports Pub's** fair market value.

We may exclude from the assets purchased cash or its equivalent and any equipment, signs, inventory, materials and supplies that are not reasonably necessary (in function or quality) to the **Family Sports Pub's** operation or that we have not approved as meeting standards for **Family Sports Pubs**, and the purchase price will reflect such exclusions.

(d) **Appraisal.** If we and you are unable to agree on the **Family Sports Pub's** fair market value, its fair market value will be determined by 3 independent certified business appraisers who collectively will conduct 1 appraisal. We will appoint one appraiser, you will appoint one appraiser and the

two party-appointed appraisers will appoint the third appraiser. You and we agree to select our respective appraisers within 15 days after we notify you that we are exercising our option to purchase the **Family Sports Pub**, and the two appraisers so chosen are obligated to appoint the third appraiser within 15 days after the date on which the last of the two party-appointed appraisers was appointed. You and we will bear the cost of our own appraisers and share equally the fees and expenses of the third appraiser chosen by the two party-appointed appraisers. The appraisers are obligated to complete their appraisal within 30 days after the third appraiser's appointment. At our option, you must deliver to us title and possession of the Restaurant and the **Operating Assets** associated with it prior to the closing and prior to the completion of the appraisal process. If we decide to do so, the transfer will be complete at the time we exercise the option with the closing to consist solely of payment of the purchase price and delivery of signed documents.

The purchase price will be paid at the closing of the purchase, which will take place not later than 90 days after determination of the purchase price. We have the right to set off against the purchase price, and thereby reduce the purchase price by, any and all amounts you or your **Owners** owe to us. At the closing, you agree to deliver instruments transferring to us: (i) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us), with all sales and other transfer taxes paid by you; (ii) all licenses and permits of the **Family Sports Pub** which may be assigned or transferred; and (iii) the leasehold interest and improvements in the **Site**.

If you cannot deliver clear title to all of the purchased assets, or if there are other unresolved issues, the closing of the sale will be accomplished through an escrow. You and your **Owners** further agree to execute general releases, in the form attached to the Franchise Disclosure Document, of any and all claims against us and our shareholders, officers, directors, employees, agents, successors and assigns.

17.6 **Continuing Obligations.** All of our and your (and your **Owners'** and **Affiliates'**) obligations which expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire. Examples include indemnification, payment, identification and dispute resolution provisions. You further agree that the de-identification procedures set forth in **Section 17.2** may change over time and that specific circumstances may require different de-identification requirements and procedures. We may therefore require any additional or different requirements and procedures as may be necessary to fully de-identify the **Family Sports Pub** or the **Site** to our satisfaction upon termination or expiration of this Agreement. You agree to comply with any such de-identification procedures and requirements set forth by us.

## 18. **RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.**

18.1 **Independent Contractors.** You and we understand and agree that this **Agreement** does not create a fiduciary relationship between you and us, that we and you are and will be independent contractors and that nothing in this **Agreement** is intended to make either you or us a general or special agent, joint venturer, partner or employee of the other for any purpose. You agree to conspicuously identify yourself in all dealings with customers, suppliers, public officials, **Family Sports Pub** personnel and others as the owner of the **Family Sports Pub** under a franchise we have granted and to place such notices of independent ownership on such forms, business cards, stationery and advertising and other materials as we may require from time to time. If you do not do so, we may place the notices and accomplish the foregoing as we see fit, and you must reimburse us for doing so.

18.2 **No Liability for Acts of Other Party.** You agree not to employ any of the **Marks** in signing any contract or applying for any license or permit, or in a manner that may result in our liability for any of your indebtedness or obligations, and that you will not use the **Marks** in any way we have not expressly authorized. Neither we nor you will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name or on behalf of the other, represent that our respective relationship is other than

franchisor and franchisee or be obligated by or have any liability under any agreements or representations made by the other that are not expressly authorized in writing. We will not be obligated for any damages to any person or property directly or indirectly arising out of the **Family Sports Pub's** operation or the business you conduct pursuant to this **Agreement**.

18.3 **Taxes.** We will have no liability for any sales, use, alcohol surcharge, service, occupation, excise, gross receipts, income, payroll, property or other taxes, whether levied upon you or the **Family Sports Pub**, in connection with the business you conduct (except any taxes we are required by law to collect from you with respect to purchases from us). Payment of all such taxes are your responsibility.

18.4 **Indemnification.** You agree to indemnify, defend and hold us, our affiliates and our respective shareholders, directors, officers, employees, agents, successors and assignees (the "**Indemnified Parties**") harmless from and to reimburse any one or more of the Indemnified Parties for all claims, obligations and damages described in this **Section**, any and all taxes arising out of the operation of your **Family Sports Pub**, and any and all claims and liabilities directly or indirectly arising out of the **Family Sports Pub's** operation (even if our negligence is alleged, but not proven); any element of your development, opening and operation of your **Family Sports Pub**, including (without limitation) any personal injury, death or property damage suffered by any customer, visitor, operator, employee or guest of the **Family Sports Pub**; crimes committed on or near your **Family Sports Pub** or vehicles used by your **Family Sports Pub**; all acts, errors, neglects or omissions engaged in by you, your contractors or subcontractors, as well as any third party, arising out of or related to the design, construction, conversion, build-out, outfitting, remodeling, renovation or upgrading of your **Family Sports Pub**, whether or not any of the foregoing was approved by us; defects in any **Family Sports Pub** you construct and/or operate, whether or not discoverable by you or by us; all acts, errors, neglects or omissions of you or the **Family Sports Pub** and/or the owners, officers, directors, management, employees, agent, servants, contractors, partners, proprietors, affiliates or representatives of you or **Family Sports Pub** (or any third party acting on your behalf or at your direction), whether in connection with the **Family Sports Pub** or otherwise; all liabilities arising from or related to your offer, sale and/or delivery of products and/or services as contemplated by this **Agreement**; and, any action by any customer of yours or visitor to your **Family Sports Pub** or any other facility of your franchised business; or your breach of this Agreement.

For purposes of this indemnification, "**claims**" includes all obligations, damages (actual, consequential or otherwise) and costs reasonably incurred in the defense of any claim against any of the Indemnified Parties, including, without limitation, reasonable accountants', arbitrators', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of litigation, arbitration or alternative dispute resolution and travel and living expenses. We have the right to defend any such claim against us. This indemnity will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

Under no circumstances will we or any other **Indemnified Party** be required to seek recovery from any insurer or other third party, or otherwise to mitigate our, their or your losses and expenses, in order to maintain and recover fully a claim against you. You agree that a failure to pursue such recovery or mitigate a loss will in no way reduce or alter the amounts we or another **Indemnified Party** may recover from you.

## 19. **ENFORCEMENT.**

19.1 **Severability; Substitution of Valid Provisions.** Except as otherwise stated in this **Agreement**, each term of this **Agreement**, and any portion of any term, are severable. The remainder of this **Agreement** will continue in full force and effect. To the extent that any provision restricting your competitive activities is deemed unenforceable, you and we agree that such provisions will be enforced to the fullest extent permissible under governing law. This **Agreement** will be deemed automatically modified to comply with such governing law if any applicable law requires: (a) a greater prior notice of the termination of or refusal to renew this **Agreement**; or (b) the taking of some other action not described in this **Agreement**; or (c) if any **System**

**Standard** is invalid or unenforceable. We may modify such invalid or unenforceable provision to the extent required to be valid and enforceable. In such event, you will be bound by the modified provisions.

19.2 **Waivers.** We will not be deemed to have waived our right to demand exact compliance with any of the terms of this Agreement, even if at any time: (a) we do not exercise a right or power available to us under this Agreement; or (b) we do not insist on your strict compliance with the terms of this Agreement; or (c) if there develops a custom or practice which is at variance with the terms of this Agreement; or (d) if we accept payments which are otherwise due to us under this Agreement. Similarly, our waiver of any particular breach or series of breaches under this Agreement or of any similar term in any other agreement between you and us or between us and any other franchise owner, will not affect our rights with respect to any later breach by you or anyone else.

19.3 **Limitation of Liability.** Neither of the parties will be liable for loss or damage or deemed to be in breach of this Agreement if failure to perform obligations results from:

- (a) **Compliance with Laws.** Compliance with any law, ruling, order, regulation, requirement or instruction of any federal, state or municipal government or any department or agency thereof;
- (b) **Acts of God.** Acts of God, terror, war or similar events;
- (c) **Acts or Omissions.** Acts or omissions of a similar event or cause.

However, such delays or events do not excuse payments of amounts owed at any time.

19.4 **Approval and Consents.** Whenever this Agreement requires our advance approval, agreement or consent, you agree to make a timely written request for it. Our approval or consent will not be valid unless it is in writing. Except where expressly stated otherwise in this Agreement, we have the absolute right to refuse any request by you or to withhold our approval of any action or omission by you. If we provide to you any waiver, approval, consent, or suggestion, or if we neglect or delay our response or deny any request for any of those, we will not be deemed to have made any warranties or guarantees which you may rely on, and will not assume any liability or obligation to you.

19.5 **Waiver of Punitive Damages.** EXCEPT FOR YOUR OBLIGATIONS TO INDEMNIFY US AND CLAIMS FOR UNAUTHORIZED USE OF THE MARKS OR CONFIDENTIAL INFORMATION, YOU AND WE EACH WAIVE TO THE FULL EXTENT PERMITTED BY LAW ANY RIGHT TO, OR CLAIM FOR, ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER. YOU AND WE ALSO AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN YOU AND US, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

19.6 **Limitations of Claims.** ANY AND ALL CLAIMS ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP AMONG YOU AND US MUST BE MADE BY WRITTEN NOTICE TO THE OTHER PARTY WITHIN 1 YEAR FROM THE OCCURRENCE OF THE FACTS GIVING RISE TO SUCH CLAIM (REGARDLESS OF WHEN IT BECOMES KNOWN); EXCEPT FOR CLAIMS ARISING FROM: (A) UNDER-REPORTING OF GROSS REVENUES; (B) UNDER-PAYMENT OF AMOUNTS OWED TO US OR OUR AFFILIATES; (C) CLAIMS FOR INDEMNIFICATION; AND/OR (D) UNAUTHORIZED USE OF THE MARKS. HOWEVER, THIS PROVISION DOES NOT LIMIT THE RIGHT TO TERMINATE THIS AGREEMENT IN ANY WAY.

19.7 **Governing Law.** EXCEPT TO THE EXTENT THIS AGREEMENT OR ANY PARTICULAR DISPUTE IS GOVERNED BY THE U.S. TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. §1051 AND THE SECTIONS FOLLOWING IT) OR OTHER FEDERAL LAW, THIS

**AGREEMENT AND THE FRANCHISE ARE GOVERNED BY FLORIDA LAW WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES, EXCLUDING ANY LAW REGULATING THE SALE OF FRANCHISES OR BUSINESS OPPORTUNITIES OR GOVERNING THE RELATIONSHIP BETWEEN A FRANCHISOR AND FRANCHISEE, OR BETWEEN A BUSINESS OPPORTUNITY SELLER AND PURCHASER, UNLESS THE JURISDICTIONAL REQUIREMENTS OF SUCH LAWS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS SECTION.** References to any law or regulation also refer to any successor laws or regulations and any impending regulations for any statute, as in effect at the relevant time. References to a governmental agency also refer to any successor regulatory body that succeeds to the function of such agency.

19.8 **Jurisdiction.** YOU AND WE CONSENT, AND IRREVOCABLY SUBMIT TO, THE EXCLUSIVE JURISDICTION AND VENUE OF THE STATE AND FEDERAL COURTS OF COMPETENT JURISDICTION FOR HILLSBOROUGH COUNTY, FLORIDA, AND WAIVE ANY OBJECTION TO THE JURISDICTION AND VENUE OF SUCH COURTS. THE EXCLUSIVE CHOICE OF JURISDICTION DOES NOT PRECLUDE THE BRINGING OF ANY ACTION BY THE PARTIES FOR THE ENFORCEMENT OF ANY JUDGMENT IN ANY OTHER APPROPRIATE JURISDICTION.

19.9 **Waiver of Jury Trial.** YOU AND WE EACH IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER YOU OR US.

19.10 **Cumulative Remedies.** The rights and remedies provided in this **Agreement** are cumulative and neither you nor we will be prohibited from exercising any other right or remedy provided under this **Agreement** or permitted by law or equity.

19.11 **Costs and Attorneys' Fees.** If a claim for amounts owed by you to us or any of our affiliates is asserted in any legal or arbitration proceeding or if either you or we are required to enforce this **Agreement** in a judicial or arbitration proceeding, the party prevailing in such proceeding will be entitled to reimbursement of its costs and expenses, including reasonable accounting and attorneys fees. Attorneys fees will include, without limitation, reasonable legal fees charged by attorneys, paralegal fees, and costs and disbursements, whether incurred prior to, or in preparation for, or contemplation of, the filing of written demand or claim, action, hearing, or proceeding to enforce the obligations of the parties under this Agreement.

19.12 **Binding Effect.** This **Agreement** is binding on and will inure to the benefit of our successors and assigns. Except as otherwise provided in this **Agreement**, this **Agreement** will also be binding on your successors and assigns, and your heirs, executors and administrators.

19.13 **Entire Agreement.** This **Agreement**, including the introduction, addenda and exhibits to it, constitutes the entire agreement between you and us. Notwithstanding the foregoing, nothing in this **Agreement** is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you. There are no other oral or written understandings or agreements between you and us concerning the subject matter of this **Agreement**. Except as expressly provided otherwise in this **Agreement**, this **Agreement** may be modified only by written agreement signed by both you and us.

19.14 **No Liability to Others; No Other Beneficiaries.** We will not, because of this **Agreement** or by virtue of any approvals, advice or services provided to you, be liable to any person or legal entity who is not a party to this **Agreement**. Except as specifically described in this Agreement, no other party has any rights because of this **Agreement**.

19.15 **Construction.** The headings of the sections are for convenience only. If two or more persons are at any time franchise owners hereunder, whether or not as partners or joint venturers, their obligations and

liabilities to us are joint and several. This **Agreement** may be signed in multiple copies, each of which will be an original. "A or B" means "A" or "B" or both.

19.16 **Certain Definitions.** The term "**Family Member**" refers to parents, spouses, offspring and siblings, and the parents and siblings of spouses. The term "**Affiliate**" means any **Business Entity** directly or indirectly owned or controlled by a person, under common control with a person or controlled by a person. The terms "**Franchisee**", franchise owner, you and your are applicable to one or more persons, a **Business Entity**, as the case may be. The singular use of any pronoun also includes the plural and the masculine and neuter usages include the other and the feminine. The term "**Person**" includes individuals, corporations, partnerships (general or limited), limited liability companies, and all artificial or legal entities. The term "**Section**" refers to a section or subsection of this **Agreement**. The word "**Control**" means the power to direct or cause the direction of management and policies. The word "**Owner**" means any person holding a direct or indirect, legal or beneficial ownership interest or voting rights in another person (or a transferee of this Agreement or an interest in you), including any person who has a direct or indirect interest in you or this **Agreement** and any person who has any other legal or equitable interest, or the power to vest in himself any legal or equitable interest, in the revenue, profits, rights or assets.

19.17 **Timing is of the Essence.** It will be a material breach of this **Agreement** to fail to perform any obligation within the time required or permitted by this **Agreement**. In computing time periods from one date to a later date, the words "from" and "commencing on" (and the like) mean "from and including"; and the words "to," "until" and "ending on" (and the like) mean "to but excluding." Indications of time of day mean Florida time.

19.18 **Mediation.** During the term of this **Agreement**, certain disputes may arise between you and us that may be resolvable through mediation. To facilitate such resolution, you and we agree that each party must, before commencing any litigation proceeding, submit the dispute for non-binding mediation to be conducted at our headquarters in Hillsborough County, Florida, to 1 mediator, appointed under the Mediation Rules of the Hillsborough County Circuit Courts. The mediator will conduct a mediation in accordance with such rules. You and we agree that any statements made by either you or us in any such mediation proceeding will not be admissible in any subsequent arbitration or other legal proceeding. Each party will bear its own costs and expenses of conducting the mediation and share equally the costs of any third parties who are required to participate. Nevertheless, both you and we have the right in a proper case to obtain temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction. However, the parties must immediately and contemporaneously submit the dispute for non-binding mediation.

19.19 **Private Disputes.** **ANY DISPUTE AND ANY LITIGATION WILL BE CONDUCTED AND RESOLVED ON AN INDIVIDUAL BASIS ONLY AND NOT A CLASS-WIDE, MULTIPLE PLAINTIFF OR SIMILAR BASIS. ANY SUCH PROCEEDING WILL NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING INVOLVING ANY OTHER PERSON, EXCEPT FOR DISPUTES INVOLVING AFFILIATES OF THE PARTIES.**

19.20 **Anti-Terrorism Compliance.** You agree to comply with, and/or assist us to the fullest extent possible in our efforts to comply with, Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war (the "**Anti-Terrorism Laws**"). In connection with such compliance you certify, represent and warrant that none of your property or interests are subject to being "blocked" under any of the **Anti-Terrorism Laws** and that you are not otherwise in violation of any of the **Anti-Terrorism Laws**. Any violation of the **Anti-Terrorism Laws** by you or your employees or any "blocking" of your assets under the **Anti-Terrorism Laws** constitute grounds for immediate termination of this **Agreement** and any other agreements you have entered into with us or any of our affiliates, in accordance with the termination provisions of this **Agreement**.

19.21 **Our Withholding of Consent – Your Exclusive Remedy.** In no event may you make any claim for money damages based on any claim or assertion that we have unreasonably withheld or delayed any consent or approval under the this Franchise Agreement. You waive any such claim for damages. You may not claim any such damages by way of setoff, counterclaim or defense. Your sole remedy for the claim will be an action or proceeding to enforce this Agreement, for specific performance or for declaratory judgment.

20. **NOTICES AND PAYMENTS.**

Any notices and reports required or permitted to be given under this **Agreement** or by the **Manuals** must be in writing; must be delivered to the other party personally, by certified mail (and return receipt requested, postage prepaid), by documented overnight delivery with a reputable carrier; and, will be effective on the date that delivery is documented to have been first attempted.

All such notices must be addressed to the parties as follows:

If to Us:	FSC FRANCHISE CO., LLC 5660 W. Cypress Street, Suite A, Tampa, Florida 33607 Attention: Legal Department
If to You:	_____ _____ _____ Attention:_____

Either you or we may change the address for delivery of all notices and reports and any such notice will be effective within 10 business days of any change in address. Any required payment or report not actually received by us during regular business hours on the date due (or postmarked by postal authorities at least 2 days prior to such due date, or in which the receipt from the commercial courier service is not dated 1 day prior to such due date) will be deemed delinquent.

Intending to be bound, you and we sign and deliver this **Agreement** in 2 counterparts effective on the **Effective Date**, regardless of the actual date of signature.

"US":  
**FSC FRANCHISE CO., LLC**  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

"YOU":  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_  
  
\_\_\_\_\_  
[Business Entity Name]  
  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_



**EXHIBIT "A" TO FRANCHISE AGREEMENT**

**CENTER, SITE SELECTION AREA AND PROTECTED TERRITORY**

- (1) Your **Site Selection Area** prior to approval of the **Site** is the geographic area within a 3-mile radius of the following location (the “**Center**”):

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

- (2) If the **Site Selection Area** is to be determined after the **Effective Date**, check the box . When we approve the **Center**, we will complete the description of the **Site Selection Area** at that time.
- (3) You Protected Territory is the geographic area within a circle with a 3-mile radius of the Site. Check box  if map is attached.

Intending to be bound, you and we sign and deliver this **Exhibit “A”** in 2 counterparts effective on the **Effective Date**, regardless of the actual date of signature.

**US”:**

**FSC FRANCHISE CO., LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**”YOU”:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
*[Business Entity Name]*

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## EXHIBIT “B” TO THE FRANCHISE AGREEMENT

### GLOSSARY

This Glossary is intended as a general guideline to assist you in reading the Franchise Agreement. You must review the Franchise Agreement to get an exact definition of a term.

<u>TERM</u>	<u>DEFINITION</u>
<b>Account</b> Section 6.3	The <b>Family Sports Pub</b> 's bank operating account.
<b>Adjusted Gross Sales</b> Section 6.5	Gross Sales less: (i) complimentary food and beverage service, or sums collected and actually paid by you for any sales, drink or other excise tax imposed by any duly constituted governmental authority on alcoholic beverages sales in a state that prohibits the payment of Royalties on such sales; (ii) the value of gift certificates and the amounts paid for them; and, (iii) the amount of all reasonable over-rings, allowances, discounts to customers, tips to employees (including discounts attributable to coupon sales, provided they have been included in Gross Sales) as determined by us in our sole judgment
<b>Affiliate</b> Section 19.16	Any Business Entity directly or indirectly owned or controlled by a person.
<b>Agreement</b> Introductory Paragraph	The Franchise Agreement between you and us.
<b>Anti-Terrorism Laws</b> Section 19.20	Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war.
<b>Beef's Boot Camp</b> Section 7.1	The initial 7-week training program that we, or our designee, furnish your <b>Two Designated Managers</b> (and optional 3rd trainee) before the <b>Family Sports Pub</b> opens.
<b>Business Entity</b> Section 1.5	A business organization like a corporation, limited liability company or partnership.
<b>Capital Modifications</b> Section 11.3	Any modification that we make to the System Standards.
<b>Center</b> Section 4.1	The intersection of streets or other landmark we approve which will form the center of the geographic area that is the site Selection Area.
<b>Claims</b> Section 18.4	All obligations, damages (actual, consequential or otherwise) and costs reasonably incurred in the defense of any claim against any of the Indemnified Parties including, without limitation, reasonable accountants', arbitrators', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of litigation, arbitration or alternative dispute resolution and travel and living expenses.
<b>Competitive Businesses</b> Section 10	Any business or facility that features chicken wings, beef, hamburgers, chicken or sandwiches as any of its menu items (other than a <b>Family Sports Pub</b> under a franchise agreement with us).

<u>TERM</u>	<u>DEFINITION</u>
<b>Computer System</b> Section 11.7	The computer equipment and operating software (and related training and periodic software support) that we specify.
<b>Confidential Information</b> Section 9.1	Our confidential information relating to the development and operation of <b>Family Sports Pubs</b> including: (i) the System and the know-how related to its use; (ii) plans, specifications, size and physical characteristics of <b>Family Sports Pubs</b> ; (iii) site selection criteria, land use and zoning techniques and criteria; (iv) methods in obtaining licensing and meeting regulatory requirements; (v) sources, design and methods of use of equipment, furniture, forms, materials, supplies, Websites, Internet or Intranet, "business to business" or "business to customer" networks or communities and other e-commerce methods of business; (vi) marketing, advertising and promotional programs for <b>Family Sports Pubs</b> ; (vii) staffing and delivery methods and techniques for personal services; (viii) the selection, testing and training of managers and other employees for <b>Family Sports Pubs</b> ; (ix) the recruitment, qualification and investigation methods to secure employment for employment candidates; (x) the Computer System and any computer software and related passwords we make available or recommend for <b>Family Sports Pubs</b> ; (xi) methods, techniques, formats, specifications, procedures, information and systems related to and knowledge of and experience in the development, operation and franchising of <b>Family Sports Pubs</b> ; (xii) knowledge of specifications for and identities of and suppliers of certain products, materials, supplies, furniture, furnishings and equipment; (xiii) recipes, formulas, preparation methods and serving techniques; and (xiv) knowledge of operating results and financial performance of <b>Family Sports Pubs</b> other than those operated by you (or your affiliates).
<b>Control</b> Section 19.16	The power to direct or cause the direction of management and policies.
<b>Designated Manager</b> Section 7.1	You or the Manager and the other management level employees who must satisfactorily complete <b>Beef's Boot Camp</b> .
<b>Disability</b> Section 15.5	A mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent you or an owner of a controlling interest in you from managing and operating the <b>Family Sports Pub</b> .
<b>Effective Date</b> Introductory Paragraph	The date of the Franchise Agreement.
<b>Family Member</b> Section 19.16	Parents, spouses, offspring and siblings, and the parents and siblings of spouses.
<b>Family Sports Pub Materials</b> Section 5.5	All services, supplies, materials and food and beverage products, and media products and services (e.g. cable television, satellite television, and music (if any)) for use in connection with your <b>Family Sports Pub</b> .
<b>Family Sports Pubs</b> Section 1.1	The casual dining restaurants featuring and serving a variety of food and beverage products and services, including our approved beverage program, which includes beer and wine and hard liquor, in a distinctive and innovative environment that we have developed.
<b>Franchise</b> Section 2.2	The right to operate a <b>Family Sports Pub</b> at the Site using the Marks and the System.
<b>Franchise Fee</b> Section 6.1	The initial franchise fee that you must pay us on the Effective Date.

<u>TERM</u>	<u>DEFINITION</u>
<b>Franchisee</b> Introductory Paragraph	You
<b>Franchisor</b> Introductory Paragraph	Us
<b>Gross Sales</b> Section 6.4	All revenue you derive from operating the <b>Family Sports Pub</b> , including, but not limited to, all amounts you receive at or away from the Site from any activities or services whatsoever including any that are in any way associated with the Marks, and whether from cash, check, barter, credit or debit card or credit transactions, including the redemption value of gift certificates redeemed by you regardless of whether such gift certificates are issued by you or someone else; but excluding (i) all federal, state or municipal sales, use or service taxes collected from customers and paid to the appropriate taxing authority and (ii) customer refunds, adjustments, credits and allowances actually made by the <b>Family Sports Pub</b> . Gross Sales also includes revenues from delivery service sales, retail, concessions, hotel room service, catering, special functions, etc. and sales of products bearing or associated with the Marks.
<b>Improvements</b> Section 9.2	Ideas, concepts, methods, techniques or improvements relating to the <b>Family Sports Pub</b> or the System that you or your employees may develop.
<b>Indemnified Parties</b> Section 18.4	Us, our affiliates our respective shareholders, directors, officers, employees, agents, successors and assigns that you agree to indemnify, defend and hold harmless from and against all claims, obligations and damages.
<b>Interim Management</b> Section 16.6	After we have given you written notice that you are in default, we may (but are not obligated to) assume interim management of the Family Sports Pub during the pendency of any cure period or in lieu of immediately terminating the Franchise Agreement.
<b>Kitchen Training</b> Section 7.1	The additional training for a kitchen manager for a term of 4 weeks that we, or our designee, provide.
<b>Lease Assignment</b> Section 4.3(b)	Out form of Conditional Assignment of Lease Agreement that you and the lessor must entered into.
<b>Manager(s)</b> Section 7.1	If you are a Business Entity, a person having management rights and powers (e.g. officers, kitchen managers, general managers, partners, etc.).
<b>Manuals</b> Section 11.1	Our manuals consisting of such materials (including, as applicable audiotapes, videotapes, magnetic media, computer software and written materials) that we generally grant access to franchisees for use in operating a <b>Family Sports Pub</b> .
<b>Marketing Contributions</b> Section 12.1	You contribution to the Marketing Development Fund of 1.5% of monthly Adjusted Gross Sales.
<b>Marketing Development Fund</b> Section 12.1	A system-wide marketing and development fund that we have established for such advertising, marketing and public relations programs and materials we deem necessary or appropriate.
<b>Marketing Fund Corporation</b> Section 12.1	The corporation (Beef 'O' Brady's Marketing and Development Fund, Inc.) that is operating the Marketing Development Fund.

<u>TERM</u>	<u>DEFINITION</u>
<b>Marks</b> Section 1.1	The trade and service marks “Beef 'O' Brady’s®,” “O’ Brady’s®,” “Beef’s®” and other associated logos, designs, artwork and trade dress and additional trademarks, service marks and commercial symbols that we use, promote and license in conjunction with the operation of <b>Family Sports Pubs</b> .
<b>Notification Date</b> Section 17.5(a)	The date on which we notify you whether or not we are exercising our option to purchase your <b>Family Sports Pub</b> upon termination of the Franchise Agreement.
<b>Opening On-Site Assistance</b> Section 7.2	The supervision and assistance by a member of our staff that we, or our designee, will provide for 6 days prior to opening and for 6 days after opening of the <b>Family Sports Pub</b> . If it your second or subsequent Family Sports Pub, we provide 5 total days of Second and Subsequent Opening On-Site Assistance (3 days prior to opening; 2 days after opening).
<b>Operating Assets</b> Section 5.5	All fixtures, furnishing, equipment, signs, and electronic or computerized devices and services (including telecopiers, cash registers, computers, POS, e-mail, ISP, intranet and internet services, hardware and software) for use in connection with your <b>Family Sports Pub</b> .
<b>Operating Partner</b> Section 7.1	You, or if you are a Business Entity, your primary operating partner.
<b>Operating Manager</b> Section 7.1	Your designated manager who is, responsible for day to day operation of the <b>Family Sports Pub</b> and has successfully completed <b>Beef’s Boot Camp</b> .
<b>Owner</b> Section 19.16	Any person holding a direct or indirect, legal or beneficial ownership interests or voting rights in another person (or a transferee of this Agreement or an interest in you), and the officers, directors, partners, members or holders of a beneficial interest in any person who has 5% or more a direct or indirect beneficial interest in you or this Agreement and any person who has any other legal or equitable interest, or the power to vest in himself any legal or equitable interest, in the revenue, profits, rights or assets.
<b>Payment Day</b> Section 6.3	The day of each month or week that we designate for payment of Royalties or other amounts due us.
<b>Per Diem Fee</b> Section 7.6	The additional fee that we will charge if you request additional or refresher training.
<b>Person</b> Section 19.16	Individuals and Business Entities.
<b>Principal Owner</b> Section 1.5	An Owner who owns more than 10% of the voting securities of the Business Entity
<b>Proprietary Materials</b> Section 11.9	All articles used in operating the <b>Family Sports Pub</b> that bear the Marks, including seasonings, sauces, dressings, employee clothing (such as ties, hats and aprons) and menus.
<b>Protected Territory</b> Section 4.1	The geographic area within a 3-mile radius of the front door of your <b>Family Sports Pub</b> .
<b>Remedial Training</b> Section 7.5	If we determine it to be necessary, we may provide you with remedial training or assistance subject to the availability of our personnel.
<b>Response Notice</b> Section 3.2(a)	The written notice that we will give you not more than 90 days after we receive notice of your election to acquire a Successor Franchise.
<b>Royalty</b> Section 6.2	The royalty in the amount of 4.0% of Adjusted Gross Sales that you pay us on a monthly basis.

<u>TERM</u>	<u>DEFINITION</u>
<b>Section</b> Section 19.16	A section or subsection of this Agreement.
<b>Site</b> Section 4.1	The location for your <b>Family Sports Pubs</b> that we have approved.
<b>Site Selection Area</b> Section 4.1	The geographic area within a 3-mile radius of the Center, designated by us following our approval of such Center.
<b>Site Selection Period</b> Section 4.1	The period ending on the 180 <sup>th</sup> day following the Effective Date.
<b>Successor Franchise</b> Section 3.1	The successor area development agreement that you and we may enter into if both parties determine that additional <b>Family Sports Pubs</b> should be developed in your Exclusive Area and you meet all of our conditions.
<b>Successor Franchise Agreement</b> Section 3.1	The Franchise Agreement signed by the parties upon Franchisor's grant of a Successor Franchise to Franchisee
<b>System</b> Section 1.1	The distinctive business formats, methods, procedures, designs, layout, signs, equipment, menus, recipes, trade dress, standards and specifications we have developed and may improve, further develop or otherwise modify from time to time under which the <b>Family Sports Pubs</b> operate.
<b>System Standards</b> Section 11.1	Mandatory and suggested specifications, standards, operating procedures and rules that we prescribe for operation of a Family Sport Pub.
<b>Training Certificate</b> Section 7.1	The certificate that you obtain by completing the Training Certificate Process.
<b>Transfer</b> Section 15.2	You or your Owners voluntary or involuntary, direct or indirect assignment, sale, gift or other disposition of any interest in: (i) the Franchise Agreement; (ii) you; or (iii) the <b>Family Sports Pub</b> .
<b>Transfer Fee</b> Section 15.3	The fee equal to the lesser of \$20,000 or 50% of the then-current Franchise Fee that you or the transferee must pay to help defray expenses we incur in connection with the transfer, plus the costs of training up to 2 Trainees of the Transferee.
<b>Website</b> Section 12.8	An interactive electronic document, contained in a network of computers linked by communications software, that you operate or authorize others to operate that refers to your <b>Family Sports Pub</b> , the Marks, us, and/or the System. The term Website also includes Internet, Intranet and World Wide Web home pages or e-mail address sites.

**EXHIBIT “C” TO THE FRANCHISE AGREEMENT**

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**FORM OF  
CONDITIONAL ASSIGNMENT AND  
ASSUMPTION OF TELEPHONE NUMBERS AND LISTINGS**

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## CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS

**THIS CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS** (this “**Assignment**”) is effective as of \_\_\_\_\_, 20\_\_\_\_, between **FSC FRANCHISE CO., LLC**, a Florida limited liability company, with its principal place of business at 5660 W. Cypress Street, Suite A, Tampa, Florida 33607 (“**we**,” “**us**” or “**our**”) and \_\_\_\_\_ whose current place of business is \_\_\_\_\_ (“**you**” or “**your**”). You and we are sometimes referred to collectively as the “**parties**” or individually as a “**party**.”

### BACKGROUND INFORMATION:

We have simultaneously entered into the certain Franchise Agreement (the “**Franchise Agreement**”) dated as of \_\_\_\_\_, 20\_\_\_\_ with you, pursuant to which you plan to own and operate a franchise to operate as a Beef ‘O’Brady’s® Family Sports Pub (the “**Family Sports Pub**”). We use, among other things, certain proprietary knowledge, procedures, formats, systems, forms, printed materials, applications, methods, specifications, standards and techniques we authorize or develop (collectively the “**System**”). We identify Family Pubs and various components of the System by certain trademarks, trade names, service marks, trade dress and other commercial symbols (collectively the “**Marks**”). In order to protect our interest in the System and the Marks, we will have the right to control the telephone numbers and listings of the Family Sports Pub if the Franchise Agreement is terminated.

### OPERATIVE TERMS:

You and we agree as follows:

1. **Background Information:** The background information is true and correct. This Assignment will be interpreted by reference to the background information. Terms not otherwise defined in this Assignment will have the meanings as defined in the Franchise Agreement.
2. **Conditional Assignment:** You assign to us, all of your right, title and interest in and to those certain telephone numbers and regular, classified or other telephone directory listings (collectively, the “**Numbers and Listings**”) associated with the Marks and used from time to time in connection with the operation of the Family Sports Pub. We will have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment, unless we notify the telephone company and/or the listing agencies with which you have placed telephone directory listings (collectively, the “**Telephone Company**”) to effectuate the assignment of the Numbers and Listings to us. Upon termination or expiration of the Franchise Agreement we will have the right and authority to ownership of the Numbers and Listings. In such event, you will have no further right, title or interest in the Numbers and Listings and will remain liable to the Telephone Company for all past due fees owing to the Telephone Company on or before the date on which the assignment is effective. As between the parties, upon termination or expiration of the Franchise Agreement, we will have the sole right to and interest in the Numbers and Listings.
3. **Power of Attorney:** You irrevocably appoint us as your true and lawful attorney-in-fact to: (a) direct the Telephone Company to effectuate the assignment of the Numbers and Listings to us; and (b) sign on your behalf such documents and take such actions as may be necessary to effectuate the assignment. Notwithstanding anything else in the Assignment, however, you will immediately notify and instruct the Telephone Company to effectuate the assignment described in this Assignment to us when, and only when: (i) the Franchise Agreement is terminated or expires; and (ii) we instruct you to so notify



the Telephone Company. If you fail to promptly direct the Telephone Company to effectuate the assignment of the Numbers and Listings to us, we will direct the Telephone Company to do so. The Telephone Company may accept our written direction, the Franchise Agreement or this Assignment as conclusive proof of our exclusive rights in and to the Numbers and Listings upon such termination or expiration. The assignment will become immediately and automatically effective upon Telephone Company's receipt of such notice from you or us. If the Telephone Company requires that you and/or we sign the Telephone Company's assignment forms or other documentation at the time of termination or expiration of the Franchise Agreement, our signature on such forms or documentation on your behalf will effectuate your consent and agreement to the assignment. At any time, you and we will perform such acts and sign and deliver such documents as may be necessary to assist in or accomplish the assignment described herein upon termination or expiration of the Franchise Agreement. The power of attorney conferred upon us pursuant to the provisions set forth in this Assignment is a power coupled with an interest and cannot be revoked, modified or altered without our consent.

4. **Indemnification:** You will indemnify and hold us and our affiliates, stockholders, directors, officers and representatives (collectively, the "**Indemnified Parties**") harmless from and against any and all losses, liabilities, claims, proceedings, demands, damages, judgments, injuries, attorneys' fees, costs and expenses that any of the Indemnified Parties incur as a result of any claim brought against any of the Indemnified Parties or any action which any of the Indemnified Parties are named as a party or which any of the Indemnified Parties may suffer, sustain or incur by reason of, or arising out of, your breach of any of the terms of any agreement or contract or the nonpayment of any debt you have with the Telephone Company.

5. **Binding Effect:** This Assignment is binding upon and inures to the benefit of the parties and their respective successors-in-interest, heirs, and successors and assigns.

6. **Assignment to Control:** This Assignment will govern and control over any conflicting provision in any agreement or contract which you may have with the Telephone Company.

7. **Attorneys' Fees, Etc.:** In any action or dispute, at law or in equity, that may arise under or otherwise relate to this Assignment or the enforcement thereof, the prevailing party will be entitled to reimbursement of its attorneys' fees, costs and expenses from the non-prevailing party. The term "**attorneys' fees**" means any and all charges levied by an attorney for his or her services including time charges and other reasonable fees including paralegal fees and legal assistant fees and includes fees earned in settlement, at trial, appeal or in bankruptcy proceedings and/or in arbitration proceedings.

8. **Severability:** If any of the provisions of this Assignment or any section or subsection of this Assignment are held invalid for any reason, the remainder of this Assignment or any such section or subsection will not be affected, and will remain in full force and effect in accordance with its terms.

**Governing Law and Forum:** This Assignment is governed by Florida law. The parties will not institute any action against any of the other parties to this Assignment except in the state or federal court of competent jurisdiction in Hillsborough County, Florida, and they irrevocably submit to the jurisdiction of such courts and waive any objection they may have to either the jurisdiction or venue of such court.

**ASSIGNOR:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**ASSIGNEE:**  
**FSC FRANCHISE CO., LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**THIS CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS is accepted and agreed to by:**

(TELEPHONE COMPANY)

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT “D” TO THE FRANCHISE AGREEMENT**

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**FORM OF  
CONDITIONAL ASSIGNMENT AND  
ASSUMPTION OF LEASE**

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**CONDITIONAL ASSIGNMENT AND ASSUMPTION OF LEASE**

THIS **CONDITIONAL ASSIGNMENT AND ASSUMPTION OF LEASE** (this “**Assignment**”) is made, entered into and effective as of the effective date of the Lease (as defined herein below), by, between and among **FSC FRANCHISE CO., LLC**, with its principal business address located at 5660 W. Cypress Street, Suite A, Tampa, Florida 33607 (“**we**,” “**us**” or “**our**”), and \_\_\_\_\_

\_\_\_\_\_ whose current principal place of business is \_\_\_\_\_ (“**you**” or “**your**”).

**BACKGROUND INFORMATION**

We entered into that certain Franchise Agreement (the “**Franchise Agreement**”) dated as of \_\_\_\_\_, 20\_\_\_\_ with you, pursuant to which you plan to own and operate a Family Sports Pub franchise (the “**Family Sports Pub**”) located at that certain location approved by us pursuant to Sections 2 and 4 of the Franchise Agreement between you and us dated \_\_\_\_\_, 20\_\_\_\_ (the “**Approved Location**” or “**Site**”). In addition, pursuant to that certain Lease Agreement (the “**Lease**”), you have leased or will lease certain space containing the Family Sports Pub described therein from \_\_\_\_\_ (the “**Lessor**”). The Franchise Agreement requires you to deliver this Assignment to us as a condition to the grant of a franchise.

**OPERATIVE TERMS**

We and you agree as follows:

1. **Background Information:** The background information is true and correct. This Assignment will be interpreted by reference to, and construed in accordance with, the background information.
2. **Incorporation of Terms:** Terms not otherwise defined in this Assignment have the meanings as defined in the Lease.
3. **Indemnification of Us:** You agree to indemnify and hold us and our affiliates, stockholders, directors, officers and representatives harmless from and against any and all losses, liabilities, claims, proceedings, demands, damages, judgments, injuries, attorneys’ fees, costs and expenses, that they incur resulting from any claim brought against any of them or any action which any of them are named as a party or which any of them may suffer, sustain or incur by reason of, or arising out of, your breach of any of the terms of the Lease, including the failure to pay rent or any other terms and conditions of the Lease.
4. **Assignment:** You grant to us a security interest in and to the Lease, all of the furniture, fixtures, inventory and supplies located in the Site and the franchise relating to the Family Sports Pub, and all of your rights, title and interest in and to the Lease as collateral for the payment of any obligation, liability or other amount owed by you or your affiliates to the Lessor arising under the Lease and for any default or breach of any of the terms and provisions of the Lease, and for any default or breach of any of the terms and provisions of the Franchise Agreement. In the event of a breach or default by you under the terms of the Lease, or, in the event we make any payment to the Lessor as a result of your breach of the Lease, then such payment by us, or such breach or default by you, will at our option be deemed to be an immediate default under the Franchise Agreement, and we will be entitled to the possession of the Site and to all of your rights, title and interest in and to the Lease and to all other remedies described herein or

in the Franchise Agreement or at law or in equity, without prejudice to any of our other rights or remedies under any other Agreements or under other applicable laws or equities. This Assignment will constitute a lien on your interest in and to the Lease until satisfaction in full of all amounts owed by you to us. In addition, our rights to assume all obligations under the Lease provided in this Assignment are totally optional on our part. You agree to execute any and all Uniform Commercial Code financing statements and all other documents and instruments deemed necessary by us to perfect or document the interests and assignments granted herein.

5. **No Subordination**: You will not permit the Lease to become subordinate to any lien without first obtaining our written consent, other than the lien created by this Assignment, the Franchise Agreement, the Lessor's lien under the Lease, liens securing bank financing for your operations on the Site and the agreements and other instruments referenced herein. You will not terminate, modify or amend any of the provisions or terms of the Lease without our prior written consent. Any attempt at termination, modification or amendment of any of the terms without such written consent is null and void.

6. **Exercise of Remedies**: In any case of default by you under the terms of the Lease or under the Franchise Agreement, we will be entitled to exercise any one or more of the following remedies:

(a) to take possession of the Site, or any part thereof, personally, or by our agents or attorneys;

(b) to without notice and with or without process of law, enter upon and take and maintain possession of all or any part of the Site, together with all your furniture, fixtures, inventory, books, records, papers and accounts;

(c) to exclude you, your agents or employees from the Site;

(d) as your attorney-in-fact or in our own name, and under the powers herein granted, to hold, operate, manage and control the Family Sports Pub and conduct the business, if any, thereof, either personally or by our agents, with full power to use such measures, legally rectifiable, as we may be deemed proper or necessary to cure such default, including actions of forcible entry or detainer and actions in distress of rent, hereby granting full power and authority to us to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter;

(e) to cancel or terminate any unauthorized agreements or subleases entered into by you, for any cause or ground which would entitle us to cancel the same;

(f) to disaffirm any unauthorized agreement, sublease or subordinated lien, to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Site or the Site that may seem judicious; and

(g) to insure and reinsure the same for all risks incidental to our possession, operation and management thereof; and/or

(h) notwithstanding any provision of the Franchise Agreement to the contrary, to declare all of your rights but not obligations under the Franchise Agreement to be immediately terminated as of the date of your default under the Lease.

7. **Power of Attorney:** You do hereby irrevocably appoint us as your true and lawful attorney-in-fact in your name and stead and hereby authorizes us, upon any default under the Lease or under the Franchise Agreement, with or without taking possession of the Site, to rent, lease, manage and operate the Site to any person, firm or corporation upon such terms and conditions as we may determine, and with the same rights and powers and immunities, exoneration of liability and rights of recourse and indemnity as we would have upon taking possession of the Site pursuant to the provisions set forth in the Lease. The power of attorney conferred upon us pursuant to this Assignment is a power coupled with an interest and cannot be revoked, modified or altered without our written consent.

8. **Election of Remedies:** It is understood and agreed that the provisions set forth in this Assignment are deemed a special remedy given to us and are not deemed to exclude any of the remedies granted in the Franchise Agreement or any other agreement between the parties, but are deemed an additional remedy and are cumulative with the remedies therein and elsewhere granted to us, all of which remedies are enforceable concurrently or successively. No exercise by us or any of the rights hereunder will cure, waive or affect any default hereunder or default under the Franchise Agreement. No inaction or partial exercise of rights by us will be construed as a waiver of any of our rights and remedies and no waiver by us of any such rights and remedies will be construed as a waiver by us of any future rights and remedies.

9. **Binding Agreements:** This Assignment and all provisions are binding upon the parties, their successors, assigns and legal representatives and all other persons or entities claiming under them or through them, or either of them, and the words “we,” “us” or “our” or “you” and “your” includes all such persons and entities and any others liable for payment of amounts under the Lease or the Franchise Agreement. All individuals executing on behalf of corporate entities hereby represent and warrant that such execution has been duly authorized by all necessary corporate and shareholder authorizations and approvals.

10. **Assignment to Control.** This Assignment governs and controls over any conflicting provisions in the Lease.

11. **Attorney’s Fees, Etc.** In any action or dispute, at law or in equity, that may arise under or otherwise relate to this Assignment, the prevailing party will be entitled to recover its attorneys’ fees, costs and expenses relating to any trial or appeal (including, without limitation, paralegal fees) or arbitration or bankruptcy proceeding from the non-prevailing Party.

12. **Severability.** If any of the provisions of this Assignment or any section or subsection of this Assignment is held invalid for any reason, the remainder of this Assignment or any such section or subsection will not be affected thereby and will remain in full force and effect in accordance with its terms.

**IN WITNESS WHEREOF**, the Parties have caused this Assignment to be executed as of the day and year first above written.

**“YOU”:**

**“US”:**

**FSC FRANCHISE CO., LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**THIS CONDITIONAL ASSIGNMENT AND ASSUMPTION OF LEASE is accepted and agreed to by:**

**"Lessor":**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT “E” TO THE FRANCHISE AGREEMENT**

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**FORM OF  
PRINCIPAL OWNER’S GUARANTY**

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## PRINCIPAL OWNER'S GUARANTY

This Guaranty must be signed by each of the principal owners (referred to as “you” or “your” for purposes of this Guaranty only) of \_\_\_\_\_ (the “Business Entity”) under the Franchise Agreement dated \_\_\_\_\_, 20\_\_ (the “Agreement”) with FSC FRANCHISE CO., LLC (“we,” “us” or “our”).

1. **Incorporation of Terms.** Each term of the Agreement is incorporated into this Guaranty.
2. **Guaranty.** In consideration of and as an inducement to us signing and delivering the Agreement, each of you signing this Guaranty personally and unconditionally: guarantee to us and our successors and assigns that (a) the Business Entity will punctually pay and perform every obligation and obey every restriction and covenant set forth in the Agreement and (b) each of you agrees to be personally bound by, and personally liable for the breach of, each and every obligation, restriction and covenant in the Agreement.
3. **Payment.** If the Business Entity fails to make any payment when due or otherwise defaults under any of the terms of the Agreement, immediately upon demand, you will pay to us the full amount owed, plus any interest or penalty allowed under the Agreement. All payments are made without set-off, deduction or withholding for any reason, and are final and free from any defense, claim or counterclaim of you, except the defense that the Business Entity has paid all obligations in full.
4. **Waivers.** Each of you waives: (a) acceptance and notice of acceptance by us of your obligations under this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed by you; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed by you; (d) any right you may have to require that an action be brought against the Business Entity or any other person as a condition of your liability; (e) all rights to payments and claims for reimbursement or subrogation which you may have against the Business Entity arising as a result of your execution of and performance under this Guaranty; and (f) all other notices and legal or equitable defenses to which you may be entitled in your capacity as guarantors.
5. **Consents and Agreements.** Each of you consents and agrees that: (a) your direct and immediate liability under this Guaranty are joint and several; (b) you must render any payment or performance required under the Agreement upon demand if the Business Entity fails or refuses punctually to do so; (c) your liability will not be contingent or conditioned upon our pursuit of any remedies against the Business Entity or any other person; (d) your 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 the Business Entity or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims 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 Agreement and, if required by the Agreement, after its termination or expiration.
6. **Enforcement Costs.** If we are required to enforce this Guaranty in any judicial or arbitration proceeding or any appeals, you must reimburse us for our enforcement costs. Enforcement costs include reasonable 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 prior to, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty.
7. **Effectiveness.** Your obligations under this Guaranty are effective on the Agreement Date, regardless of the actual date of signature. Terms not otherwise defined in this Guaranty have the meanings as defined in the Agreement. This Guaranty is governed by Florida law and we may enforce our rights regarding it in the courts of Hillsborough or Pinellas Counties, Florida. Each of you irrevocably submits to the jurisdiction and venue of such courts.

Each of you now signs and delivers this Guaranty effective as of the date of the Agreement regardless of the actual date of signature.

**PERCENTAGE OF OWNERSHIP  
INTEREST IN BUSINESS ENTITY**

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**GUARANTORS**

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DATE \_\_\_\_\_

**EXHIBIT “F” TO THE FRANCHISE AGREEMENT**

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**FORM OF  
PRINCIPAL OWNER’S STATEMENT**

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**PRINCIPAL OWNERS STATEMENT**

This form must be completed by you if you have multiple owners or if you, or your franchised business, is owned by a business organization (like a corporation, partnership or limited liability company). We are relying on the truth and accuracy of this form in awarding the Franchise Agreement to you.

1. **Form of Owner.** Franchisee is a (check one):

- (a) General Partnership
  - (b) Corporation
  - (c) Limited Partnership
  - (d) Limited Liability Company
  - (e) Other
- Specify: \_\_\_\_\_

Franchisee was formed under the laws of \_\_\_\_\_  
(state)

2. **Business Entity.** Franchisee was incorporated or formed on \_\_\_\_\_, 20\_\_ under the laws of the State of \_\_\_\_\_. Franchisee has not conducted business under any name other than your corporate, limited liability company or partnership name and \_\_\_\_\_. The following is a list of all persons who have management rights and powers (e.g., officers, managers, partners, etc.) and their positions are listed below:

<b><u>Name of Person</u></b>	<b><u>Position(s) Held</u></b>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

3. **Owners.** The following list includes the full name and mailing address of each person who is one of your owners and fully describes the nature of each owner's interest. Attach additional sheets if necessary.

<b><u>Owner's Name and Address</u></b>	<b><u>Description of Interest</u></b>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

4. **Governing Documents.** Attached are copies of the documents and contracts governing the ownership, management and other significant aspects of the business organization (e.g., articles of incorporation or organization, partnership or shareholder agreements, etc.).

This Statement of Principal Owners is current and complete as of \_\_\_\_\_, 20\_\_

**OWNER**

**INDIVIDUALS:**

\_\_\_\_\_  
[Signature]

\_\_\_\_\_  
[Print Name]

\_\_\_\_\_  
[Signature]

\_\_\_\_\_  
[Print Name]

**CORPORATION, LIMITED LIABILITY  
COMPANY OR PARTNERSHIP:**

\_\_\_\_\_  
[Name]

By: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT “G” TO THE FRANCHISE AGREEMENT**

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**FORM OF  
OPERATING MANAGER CONFIDENTIALITY AGREEMENT**

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## OPERATING MANAGER CONFIDENTIALITY AGREEMENT

THIS CONFIDENTIALITY AGREEMENT (this "Agreement") is effective as of \_\_\_\_\_, 20\_\_\_\_, between \_\_\_\_\_, a \_\_\_\_\_ ("we," "us," "our" or "Franchisee") and \_\_\_\_\_ ("you" or "your"), an employee or independent contractor of ours.

### BACKGROUND INFORMATION:

We have entered into a Franchise Agreement (the "Franchise Agreement") with FSC FRANCHISE CO., LLC., a Florida limited liability company (the "Franchisor") to operate a BEEF 'O' BRADY'S® Family Sports Pub (the "Restaurant") at \_\_\_\_\_ (the "Site") in a protected marketing area (the "Protected Territory") that will consist of the geographic area within a 3-mile radius of the front door of the Restaurant. The Restaurant is operated pursuant to formats, specifications, standards, methods and procedures prescribed or approved by the Franchisor (the "System"). We possess or have access to certain confidential information, consisting of location selection criteria; the System; the operations manual; other proprietary materials; the sales and marketing techniques used, and knowledge of and experience in developing and operating Family Sports Pubs; customer information; marketing and advertising programs for Family Sports Pubs; knowledge of specifications for and suppliers of certain goods, services, furniture, fixtures, equipment, software, furnishings and signs, materials and supplies; and knowledge of operating results, costs and financial information, data and performance of Family Sports Pubs other than the Restaurant, certain of which the Franchisor licenses to us or which are developed by us under the Franchise Agreement but are owned by the Franchisor (the "Confidential Information").

You acknowledge that we and the Franchisor have provided you with Confidential Information and specialized and extensive training regarding the System. You understand and acknowledge that the System and Confidential Information are the Franchisor's proprietary trade secrets, and are confidential. We have an obligation under our Franchise Agreement to maintain the Confidential Information as secret and confidential. You represent to us and the Franchisor that you have other skills that you can utilize if, for any reason, your relationship with us ends.

### OPERATIVE TERMS:

Accordingly, you and we agree as follows:

1. **Confidentiality.** You will (a) not use the Confidential Information in any capacity; (b) maintain the absolute confidentiality of the Confidential Information during and after the term of the Franchise Agreement and your employment by, or association with, us; (c) not make unauthorized copies of any portion of the Confidential Information disclosed in written form; and (d) comply with all procedures we prescribe from time to time to prevent unauthorized use or disclosure of the Confidential Information.

2. **Extension of Time Period.** The time period during which you are to refrain from any of the activities listed in this Agreement will be automatically extended by any length of time during which you or any of your affiliates, successors or assigns are in breach of any provision of this Agreement. This Agreement will continue through the duration of the extended time periods.

3. **Suspension of Compensation.** We will not be required to pay any other compensation to you during any period of time in which you are in breach of this Agreement. Upon such breach, you forfeit payment of such amounts without limitation on any other remedies available to us for redress.

4. **No Defense or Setoff**. You must not assert, by way of defense or setoff, any alleged breach or damage caused by you if we must enforce this Agreement against you.

5. **Injunctive Relief**. You and we agree that the breach of this Agreement will result in irreparable harm to us or the Franchisor, and that no monetary award can fully compensate us or the Franchisor if you violate it. Thus, if you breach this Agreement, you agree that we will be entitled to an injunction restraining you from any further breach. Such injunctive relief may be obtained without bond, but upon due notice, in addition to such other and further remedies or relief as may be available to us or the Franchisor at equity or law.

6. **Relationship**. This Agreement governs only certain aspects of your relationship with us. The terms and conditions of your employment or provision of services for us remain the same as they have been before the date of this Agreement, or as established afterwards. By entering into this Agreement, neither you nor we are committing to employ or engage the other, or to work for the other for any period of time or under any new or different terms and conditions. If you are an employee, this Agreement does not change your status as “at will”.

7. **Miscellaneous**.

(a) **Complete Agreement**: This Agreement contains the complete agreement between the parties concerning this subject matter. This Agreement supersedes any previous or contemporaneous agreement, representation or understanding, oral or written, between them. The continued relationship between the parties described in this Agreement constitutes full and sufficient consideration for the binding commitment of the parties to this Agreement.

(b) **Waiver and Amendment**: A waiver or amendment of this Agreement, or any provision of it, will be valid and effective only if it is in writing and signed by all parties or the party waiving such provision. No waiver of any term of this Agreement will operate as a waiver of any other term of this Agreement or of that same term at any other time.

(c) **Rights Cumulative**: No right or remedy available to any party is exclusive of any other remedy. Each and every remedy will be cumulative to any other remedy given under this Agreement, or otherwise legally existing upon the occurrence of a breach of this Agreement.

8. **Certain Definitions**: As used throughout this Agreement, the following terms have the following meanings:

(a) The term “**person**” means any corporation, professional corporation or association, partnership (limited or general), joint venture, trust, association or other Restaurant entity or enterprise or any natural person;

(b) The term “**affiliate**” means, with respect to any person, any other person that directly, indirectly, or through one or more intermediaries, controls, is controlled by or is under common control with, such person, and includes any subsidiaries or other Restaurant entities that are beneficially owned by such person or its affiliates;

(c) The term “**attorneys' fees**” means any and all charges levied by an attorney for his services, including time charges, expenses and other reasonable fees including paralegal fees and legal assistant fees, and includes fees earned in settlement, at trial, on appeal or in bankruptcy proceedings.



9. **Attorneys' Fees:** In any action or dispute, at law or in equity, that may arise under or otherwise relate to this Agreement, the prevailing party will be entitled to full reimbursement of its litigation or arbitration expenses from the other party. Litigation or arbitration expenses include attorneys' fees, costs, arbitration fees, expert witness fees and other related expenses including paralegal fees, travel and lodging expenses and court and arbitration filing costs. Reimbursement is due within 30 days of written notice after determination

10. **Governing Law:** This Agreement is governed by the law of the state where the Family Sports Pub is located. The prevailing party in any litigation involving this Agreement must be reimbursed its attorney's fees from the nonprevailing party.

11. **Third Party Beneficiary:** The parties understand and acknowledge that the Franchisor is a third-party beneficiary of the terms of this Agreement and, at its option, may enforce the provisions of this Agreement against you. Your obligations under this Agreement will continue for the benefit of our and the Franchisor's successors and assigns.

12. **Survival:** The provisions of this Agreement survive any termination of the Franchise Agreement or the relationship between you and us.

13. **Background Information:** The background information is true and correct and is incorporated into this Agreement. This Agreement will be interpreted with reference to the background information.

Intending to be bound, the parties sign below:

**THE "FRANCHISEE":**

**"YOU":**

Name: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

Name: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT “H” TO THE FRANCHISE AGREEMENT**

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**FORM OF  
CONFIDENTIALITY, NONSOLICITATION  
AND NONCOMPETITION AGREEMENT  
FOR FRANCHISE AGREEMENT**

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**CONFIDENTIALITY, NONSOLICITATION  
AND NONCOMPETITION AGREEMENT**

**NAME:** \_\_\_\_\_

**FRANCHISEE:** \_\_\_\_\_

**HOME ADDRESS:** \_\_\_\_\_  
\_\_\_\_\_

**HOME TELEPHONE:** \_\_\_\_\_

**CLASSIFICATION:** \_\_\_\_\_  
**(Owner, Shareholder, Officer, Director,  
Attorney, Employee, Etc.)**

\_\_\_\_\_ ("Franchisee") is a franchisee of FSC Franchise Co., LLC ("Franchisor") pursuant to a Franchise Agreement entered into by Franchisee and Franchisor dated \_\_\_\_\_ (the "Franchise Agreement"). I agree that, unless otherwise specified, all terms in this Agreement have those meanings ascribed to them in the Franchise Agreement.

I agree that during the term of my employment by, ownership participation in, association with or service to in Franchisee, or at any time thereafter, I will not communicate, divulge or use for the benefit of any other person, persons, partnership, proprietorship, association, corporation or entity any confidential information, knowledge or know-how concerning the systems of operation, services, products, clients or practices of Franchisee and/or Franchisor which may be communicated to me ("Confidential Information"), and I will not divert any business to competitors of Franchisee and/or Franchisor.

Any and all information, knowledge, know-how, techniques and information which the entities mentioned above or their officers designate as confidential will be Confidential Information for the purposes of this Agreement, except information which I can demonstrate came to my attention before disclosure or which had become or becomes a part of the public domain through publication or communication by others (unless the publication or communication is in violation of a similar confidentiality agreement), but in no event through any act of mine.

I will at no time copy, duplicate, record or otherwise reproduce any of the Confidential Information or material containing it, in whole or in part, store them in a computer retrieval or data base, nor otherwise make the them available to any unauthorized person. Upon the expiration or other termination for any reason of my employment, association, service or ownership participation, I agree to return to Franchisor or Franchisee, as the case may be, all Confidential Information or material containing it (in whole or in part) in my possession utilized during my employment, association, service or ownership participation.

I further agree that during the term of my ownership participation, and under the circumstances set forth in the following paragraph, for a period of two years immediately following its expiration or termination for any reason, I will not, directly or indirectly engage or participate in any Competitive Business, as defined below. I agree that I am prohibited from engaging in any Competitive Business as a proprietor, partner, investor, shareholder, director, officer, employee, principal, agent, advisor, or consultant.

The term "Competitive Business" means any business or facility owning, operating or managing, or granting franchises or licenses to others to own, operate or manage, any bar, sports pub, restaurant, food service facility or other business that features menu items, products and/or services similar to any of the menu items, products and/or services offered by the Family Sports Pubs, including, by way of example and without limitation, any restaurant, bar or catering service that offers chicken wings, beef,

hamburgers, chicken, or sandwiches or any bar which operates as a sports pub (other than a Family Sports Pub operated under a franchise agreement with Franchisor).

For a period of two years immediately following the expiration or termination of my employment, association, service or ownership participation, I am prohibited from engaging in any Competitive Business, if the other business is located at the Site; within Franchisee's Protected Territory; within fifteen miles of the Site or the Protected Territory, or, within fifteen miles of any other Family Sports Pub in operation or under construction on the later of the effective date of the termination or expiration of the Franchise Agreement.

I am further prohibited from selling any fixtures, furniture, equipment, signs, inventory, materials and/or supplies to any third party that will or plans to open a Competitive Business at the Site following the expiration or termination of the Franchise Agreement.

It is the intention of these provisions to preclude not only direct competition but also all forms of indirect competition, such as consultation for Competitive Businesses, service as an independent contractor for Competitive Businesses, or any assistance or transmission of information of any kind which would be of any material assistance to a competitor. Nothing herein will prevent me from owning for investment purposes up to an aggregate of 5% of the capital stock of any Competitive Business, so long as the Competitive Business is a publicly held corporation whose stock is listed and traded on a national or regional stock exchange, or through the National Association of Securities Dealers Automated Quotation System (NASDAQ), and so long as I or Franchisee do not control the company in question.

It is the intention of these provisions that any person or entity having any legal or beneficial interest in or traceable to, down or through me to be bound by the provisions of this covenant, including (without limitation) my spouse, brother, brother-in-law, sister, sister-in-law, parent, parent-in-law, child, son-in-law or daughter-in-law; any direct or indirect beneficiary; any partner (general or limited) or proprietor of mine; and, any other such related person or entity, regardless of how many levels or tiers there may be between any such described person or entity and me. I further agree that upon the expiration or termination of my term of employment/service/association, I will immediately refrain from any and all contacts with customers, for any purpose whatsoever.

I further agree that I will not, on behalf of myself or any other person, or in any capacity associated with any other person or entity, solicit, divert, take away, or interfere with any of the business, customers, referral sources, clients, vendors, suppliers, or contractors of Franchisor or its affiliates (or of any of franchisees of Franchisor or its affiliates), of Franchisee or its affiliates or of any Family Sports Pub franchisees as may exist during the term of the Franchise Agreement or thereafter.

**I acknowledge that violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Franchisor and Franchisee for which no adequate remedy at law will be available. Accordingly, I hereby consent to the entry of an injunction procured by Franchisor or Franchisee (or both) prohibiting any conduct by me in violation of the terms of those covenants not to compete and/or restrictions on the use of confidential information set forth in this agreement. I expressly agree that it may conclusively be presumed in any legal action that any violation of the terms of these covenants not to compete was accomplished by and through my unlawful utilization of Franchisor's Confidential Information. Further, I expressly agree that any claims I may have against Franchisor will not constitute a defense to Franchisor's enforcement of the covenants not to compete set forth in this Agreement. I further agree to pay all costs and expenses (including reasonable attorneys' and experts' fees) incurred by Franchisor in connection with the enforcement of those covenants not to compete set forth in this Agreement.**

If all or any portion of this covenant not to use confidential information and not to compete is held unreasonable, void, vague or illegal by any court or agency having valid jurisdiction in an

unappealed final decision to which Franchisee and/or Franchisor is a party, the court or agency will be empowered to revise and/or construe the covenant to fall within permissible legal limits, and should not invalidate the entire covenant. I expressly agree to be bound by any lesser covenant subsumed within the terms of this Agreement as if the resulting covenant were separately stated in and made a part of this Agreement.

I agree that this Agreement and all relations and disputes between myself on the one hand, and Franchisee or Franchisor on the other hand, whether sounding in contract, tort, or otherwise, are to be exclusively construed in accordance with and/or governed by (as applicable) the law of the State of Florida without recourse to Florida (or any other) choice of law or conflicts of law principles. If, however, any provision of this Agreement would not be enforceable under the laws of Florida, and if the franchised Business is located outside of Florida and the provision would be enforceable under the laws of the state in which the franchised Business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Agreement is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of Florida or any other state, which would not otherwise apply.

I further agree that any litigation arising out of or related to this Agreement; any breach of this Agreement; and, all relations and any and all disputes between myself on the one hand, and Franchisee or Franchisor on the other hand, whether sounding in contract, tort, or otherwise, will be instituted exclusively in a court of competent jurisdiction in Hillsborough County, Florida. I agree that any dispute as to the venue for this litigation will be submitted to and resolved exclusively by a court of competent jurisdiction situated in Hillsborough County, Florida.

I hereby waive and covenant never to assert or claim that said venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

Witnessed By:

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
Witness/Date

\_\_\_\_\_  
(Signature)

**EXHIBIT “K” TO THE DISCLOSURE DOCUMENT**

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**FORM OF  
AGREEMENT TO LEASE**

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## AGREEMENT TO LEASE

**THIS AGREEMENT TO LEASE** (this “**Agreement**”) is made, entered into and effective on \_\_\_\_\_, 20\_\_ (the “**Effective Date**”) by \_\_\_\_\_, a \_\_\_\_\_, whose current business address is \_\_\_\_\_ (“**you**” or “**your**”), for the benefit of FSC FRANCHISE CO., LLC., a Delaware limited liability company, whose current business address is 5660 W. Cypress Street, Suite A, Tampa, Florida 33607 (“**we**,” “**us**” or “**our**”).

### BACKGROUND INFORMATION:

You entered into that certain Franchise Agreement (the “**Franchise Agreement**”) dated as of \_\_\_\_\_, 20\_\_, with us, pursuant to which you will own and operate a Beef ‘O’ Brady’s® Family Sports Pub franchise (the “**Family Sports Pub**”). The Family Sports Pub is, or will be, located at an Approved Location, located at \_\_\_\_\_ (the “**Premises**”). You, or \_\_\_\_\_ (the “**Affiliate**”), owns the Premises.

### OPERATIVE TERMS:

You and we agree as follows:

1. **Background Information.** The background information is true and correct, and is incorporated in this Agreement by reference.
2. **Lease.** If the Franchise Agreement is terminated, assigned, or transferred in any manner whatsoever (or deemed to have been under the Franchise Agreement) (a “**Triggering Event**”), then, at our option, you or the Affiliate will enter into a written lease with us in substantially the same form as the Lease Agreement (the “**Lease**”) attached to this Agreement to Lease. Any changes to the form of the Lease or any addendum or modification to it will not be effective unless it has been previously approved by us.
3. **Binding Agreements.** This Agreement and all its provisions are binding upon us, the Affiliate and you; and your successors, assigns and legal representatives. The words “**Affiliate**,” “**we**,” “**us**,” “**our**,” “**you**” or “**your**” when used in this Agreement include all such persons and entities and any others liable for payment of amounts under the Lease or the Franchise Agreement. All individuals signing on behalf of corporate entities represent and warrant that such signatures are duly authorized by all necessary corporate and shareholder authorizations and approvals.
4. **Severability.** If any part(s) of this Agreement are held invalid for any reason, the remainder of this Agreement will not be affected and will remain in full force and effect in accordance with its terms.
5. **Governing Law.** This Agreement is governed by Florida law.
6. **Dispute Resolution.** All parties agree that all unresolved disputes concerning this Agreement must be submitted to mediation as required by the Franchise Agreement. All terms concerning the resolution of disputes contained in the Franchise Agreement are incorporated into this Agreement (including reimbursement of attorneys’ fees, jurisdiction and venue, etc.).

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, the parties have signed this Agreement as of the Effective Date.

**WITNESSES:**

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

**"YOU":**

\_\_\_\_\_  
a \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**AFFILIATE:**

\_\_\_\_\_  
a \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**"US":**

**FSC FRANCHISE CO., LLC,**  
a Delaware limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



**EXHIBIT "L" TO THE DISCLOSURE DOCUMENT**

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**FORM OF  
LEASE AGREEMENT**

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## LEASE AGREEMENT

### LEASE

THIS LEASE (this "Lease"), dated the \_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_, is entered into between \_\_\_\_\_, a \_\_\_\_\_ ("Landlord") and FSC FRANCHISE CO., LLC, a Delaware limited liability company ("Tenant").

### BACKGROUND

Tenant, as Franchisor, and Landlord, as Franchisee, entered into that certain Franchise Agreement dated as of \_\_\_\_\_, 201\_\_ (the "Franchise Agreement"), pursuant to the terms of which Landlord has operated a Beef 'O' Brady's® Family Sports Pub (the "Family Sports Pub") within the leased premises described below. The leased premises are owned by Landlord. Pursuant to an Agreement to Lease dated \_\_\_\_\_, the Landlord agreed to lease the Family Sports Pub to the Tenant on the occurrence of certain conditions.

### SECTION 1 GRANT AND TERM

1.1 **Leased Premises.** In consideration of the Franchise Agreement and the rents and covenants set forth in this Lease, Landlord demises and leases to Tenant, and Tenant leases from Landlord, the parcel of land, more particularly described in Exhibit "A" attached hereto, together with the building and other improvements thereon and appurtenances thereto and all furniture, trade fixtures, equipment, and other personal property located therein as of the Commencement Date, as defined in Section 1.5 (collectively the "leased premises"). A site plan of the leased premises is shown on Exhibit "B" attached hereto.

1.2 **Length of Term.** The term of this Lease begins on the Commencement Date and ends on the date the Franchise Agreement would have expired on its own terms plus all successor periods. Should the Commencement Date occur on a day other than the first day of a month, then the term of this Lease is extended to the last day of the last calendar month of the term.

1.3 **Options to Extend Term.** Tenant is granted \_\_\_\_\_ (\_\_) option(s) to renew the Lease each for an additional period of \_\_\_\_\_ (\_\_) years (a "Renewal Period") commencing on the first day after the last day of the then existing term of this Lease (a "Renewal Period Commencement Date") upon the following conditions: (1) Landlord must receive written notice of Tenant's election to exercise its renewal option not less than 120 days before the expiration of the then current term of the Lease; (2) no event of default by Tenant will have occurred during the term of the Lease which remains uncured at the time of election; and (3) all terms, covenants and conditions of the Lease as set forth for the initial term of the Lease prevail in each Renewal Period except that: (i) the term of the Lease is extended for the Renewal Period; and (ii) Base Rent will be increased by \_\_\_\_\_ percent (\_\_\_\_%) on each Renewal Period Commencement Date.

1.4 **Commencement of Rent and Term.** The term of this Lease commences on \_\_\_\_\_ (the "Commencement Date"). Tenant's obligation to pay Base Rent in accordance with Section 2 of this Lease commences on the 30<sup>th</sup> day following the Commencement Date. Should the Commencement Date occur on a day other than the first day of a month, then the amounts due hereunder for such partial calendar month will be prorated based on the number of days of such month that are within the term of this Lease and payable on the Commencement Date. Notwithstanding the foregoing, Tenant's obligation to pay rent (Base Rent and Additional Rent) in accordance with Section 2 will not commence until the 30<sup>th</sup> day following the day full possession of the leased premises is delivered to Tenant free from any claims of third parties.

1.5 **Lease Optional for Tenant.** Tenant is not obligated to take possession of the leased premises following a termination of the Franchise Agreement. It is Tenant's option to elect whether or not to take possession of the leased premises following a termination of the Franchise Agreement. In the event that Tenant does not elect to take possession of the leased premises within 30 days following the termination of the Franchise Agreement, this Lease is null and void and of no further force or effect.

1.6 **Delivery of Leased Premises.** On the Commencement Date, Tenant must deliver to Landlord, the leased premises in the condition existing as of the Commencement Date and no equipment, trade fixtures or other personal property constituting a part of the leased premises must be removed by Tenant from the leased premises on or following the Commencement Date.

1.7 **Holding Over after the Term.** In the event Tenant remains in possession of the leased premises after the expiration of the term or termination of this Lease, Tenant's tenancy will be deemed a tenancy from month-to-month, under all the same terms, covenants, and conditions of this Lease.

1.8 **Failure to Deliver Premises.** In the event Landlord fails to turn over possession of the leased premises to Tenant on Commencement Date, Landlord will pay to Tenant, as liquidated damages, a sum equal to \_\_\_\_\_ Dollars (\$\_\_\_\_\_) for each day from and including the Commencement Date until and including the date possession of the leased premises is delivered to Tenant.

## **SECTION 2** **RENT**

2.1 **Base Rent.** Tenant covenants and agrees to pay Landlord base rent ("**Base Rent**") for the leased premises an annual sum equal to the lesser of \$\_\_\_\_\_ per square foot or six percent of Gross Sales (as defined in the Franchise Agreement), payable in equal monthly installments of \$\_\_\_\_\_. The monthly installments of Base Rent is due on or before the first day of each calendar month, in advance, at \_\_\_\_\_, \_\_\_\_\_, Florida \_\_\_\_\_ or at such other place designated by Landlord. The Base Rent must be paid to Landlord without notice or demand.

2.2 **Real Estate Taxes.** Tenant must pay as additional rent during the term of this Lease all general ad valorem real estate taxes and assessments (collectively "**Taxes**") imposed or assessed against the leased premises during the term of this Lease. Taxes for any tax year or other period only a portion of which falls within the term of this Lease prorated between Landlord and Tenant based on the portion of such tax year or other period falling within the term of this Lease. Tenant may pay any Taxes in installments, if permitted by the taxing authority and will only be responsible for such installments as become due during the term of this Lease. Tenant must pay such Taxes, before delinquent, directly to the taxing authority. Tenant may contest in good faith by appropriate proceedings any Taxes assessed against the leased premises. Tenant hereby agrees to pay and discharge the contested Taxes as finally determined, together with any interest or penalties thereon. Landlord must join in any such proceedings, and hereby agrees that the same may be brought in its name, if required by applicable law and regulation. In addition, Landlord agrees to cooperate with Tenant in such proceedings to the extent reasonably necessary or appropriate for Tenant to reasonably proceed with such contest. Tenant must be entitled to any refund of any Taxes paid by it.

2.3 **Taxes on Leasehold or Personalty.** Tenant is responsible for and must pay before delinquent all taxes, assessments and charges assessed during the term of this Lease against Tenants leasehold interest or any personal property used in connection with the leased premises.

2.4 **Sales Tax.** Tenant agrees to pay Landlord any applicable sales or privilege taxes imposed in connection with this Lease or the sums payable hereunder. The sales or privilege tax imposed in connection with any installment of Base Rent must be paid by Tenant together with such installment. This Section 2.4 applies to any tax imposed by Florida Statute 212.031, as well as increases in or replacements to such tax and any similar additional tax generally paid by tenants.

2.5 **Additional Offset Rights.** Tenant may offset against the Base Rent due hereunder any sums owed by Landlord to Tenant under the Franchise Agreement or under Section 1.9 (Failure to Deliver Premises) of this Lease.

### **SECTION 3** **USE AND OPERATION**

Tenant must use the leased premises for the purpose of operating a FAMILY SPORTS PUB, or for any other lawful use.

### **SECTION 4** **ALTERATIONS, ADDITIONS AND IMPROVEMENTS**

4.1 **Alterations by Tenant.** Tenant must not make or cause to be made any structural alterations, additions or improvements to the leased premises without Landlord's previous written consent. Tenant may make non-structural alterations, additions and improvements without Landlord's previous consent. All alterations, additions and improvements must be done in a good workmanlike manner. All alterations, additions or improvements excluding, however, Tenant's furniture, trade fixtures, equipment, and other personal property, becomes the property of the Landlord upon the expiration or termination of the Lease, except as Landlord may otherwise agree.

4.2 **Construction Liens.** Landlord's interest in the leased premises is not subject to liens for improvements made by Tenant and Tenant has no power or authority to subject the leased premises or any portion thereof to any mechanics', construction or other liens. Tenant must promptly pay all contractors, subcontractors, materialmen, and laborers so as to prevent any liens from attaching to the leased premises. If any lien is made or filed against the leased premises or any part thereof, arising out of any services, labor or material furnished or alleged to have been furnished to, for or on behalf of Tenant, Tenant must, at Tenant's sole cost and expense, discharge or transfer such lien to a lien transfer bond or other security in accordance with the Florida Construction Lien Law, within 30 days after written request by Landlord.

### **SECTION 5** **MAINTENANCE AND REPAIR**

5.1 **Responsibilities of Landlord.** Landlord must maintain the foundation and roof of the building that constitutes a part of the leased premises and the structural soundness of the concrete floors and exterior walls of such building (excluding exterior doors, entrances, glass and windows) in good repair and condition. Landlord is not be required to commence any repairs until after written notice (or oral notice in emergency situations) from Tenant that a repair is necessary. The notice must set forth the repair needed and, if the repair is of a nature requiring Landlord's immediate attention, a statement to that effect. Landlord will diligently make any required repairs. In the event Landlord fails to make or promptly commence and diligently pursue any maintenance or repairs required by this Section (including taking any necessary steps to mitigate any impact on Tenant's business), and such failure results or threatens to result in a material interference with or disruption to Tenant's business in the leased premises, Tenant may (in addition to all other rights and remedies it may have) cure such failure or take such steps as is reasonably necessary to protect its business and recover from Landlord upon

demand all reasonable costs, expenses and disbursements incurred by Tenant in connection therewith, plus a 15% administrative fee. If such sum is not paid within 10 days after demand therefor, Tenant may offset such amounts against Base Rent due under this Lease.

5.2 **Responsibilities of Tenant.** Except only for those portions of the leased premises which are the responsibility of Landlord pursuant to Section 5.1 above, Tenant will at all times maintain the entire leased premises in good order, appearance, condition and repair.

5.3 **Surrender of Leased Premises.** Upon the expiration or termination of the term of this Lease, Tenant must surrender and deliver the leased premises to Landlord broom clean and maintained and repaired as provided for by this Lease, subject to ordinary wear and tear, breakage and obsolescence of personal property, and alterations, additions and improvements in accordance with Section 4 of this Lease.

## **SECTION 6** **INSURANCE**

6.1 **Insurance to be Provided by Tenant.** Tenant must maintain during the entire term of this Lease, the following:

- (a) casualty insurance, insuring Landlord and Tenant as their interests may appear, against loss or damage by fire and other customarily insured risks, insuring Tenant's leasehold improvements and all furniture, trade fixtures, equipment, and other items of Tenant's personal property in the leased premises; and
- (b) comprehensive general liability insurance, including public liability and property damage, insuring against claims for bodily injury, death or property damage occurring on, in or about the leased premises. Such insurance must have a minimum combined single limit of liability of at least \_\_\_\_\_. Such insurance must cover Tenant as the named insured and Landlord as an additional insured.

6.2 **Insurance to be Provided by Landlord.** Landlord must maintain during the entire term of this Lease, casualty insurance, insuring Landlord and Tenant as their interests may appear, against loss or damage by fire and other customarily insured risks in the amount of the full replacement cost of the building which makes up a part of the leased premises.

6.3 **General Insurance Requirements.** Each policy of insurance required to be carried by Tenant or Landlord will be issued by companies of recognized financial standing authorized to issue such insurance in the State of Florida. At the request of either party, the other party must deliver to the requesting party, certificates of the insurers, evidencing all of the insurance which is required to be maintained by such party hereunder.

## **SECTION 7** **DAMAGE OR DESTRUCTION**

In the event that the leased premises are totally or partially damaged or destroyed by fire or other casualty, Landlord will assess the damage and repair and restore the leased premises (less Tenant's furniture, trade fixture, equipment and other personal property) to substantially the same condition as they were in immediately before such damage or destruction. If (a) the damage or destruction results from a cause not required to be insured, (b) the leased premises cannot be rebuilt under then existing governmental requirements, or (c) this Lease is in the last 12 months of the term, Landlord or Tenant may

elect to terminate this Lease upon giving notice of such election in writing to the other; provided that Landlord may not terminate this Lease as a result of it being within the last 12 months of the term if Tenant has and agrees to exercise an option to renew and extend the term of this Lease. If this Lease is not terminated as provided for above, Landlord will repair and restore the portion of the leased premises required to be repaired and restored by Landlord with due diligence and in any event within 180 days after the casualty. Tenant must be entitled to an abatement of Base Rent due under this Lease from the date when the damage occurs until the earlier of (i) the date Tenant reopens for business or (ii) 90 days after the date possession of the leased premises is delivered to Tenant with the repairs and restoration to be conducted by Landlord completed.

## **SECTION 8** **UTILITIES**

Tenant is responsible for and must promptly pay all charges and assessments for water, gas, electricity, sewer, storm water, trash removal, hazardous waste disposal, or any other utility used or consumed in or at the leased premises during the term of this Lease. Landlord will cooperate to have any utilities needed by Tenant transferred to Tenant.

## **SECTION 9** **SUBORDINATION/NONDISTURBANCE/ATTORNMENT/ESTOPPEL**

9.1 **Subordination.** Subject to Section 9.2 below, Tenant agrees that this Lease and the interest of Tenant in the leased premises are hereby automatically made subject to and subordinate at all times to all mortgages and all advances made thereon and any modification, additions, renewals, consolidations or extensions thereto, which may hereafter affect the leased premises.

9.2 **Nondisturbance.** The subordination set out in Section 9.1 is subject to and conditioned upon the agreement of the holder of any such mortgage that such holder will not, in the exercise of any right, remedy or privilege granted by the mortgage, or any other documents executed in connection with the mortgage, or otherwise available to such holder at law or in equity, disturb Tenant's possession of the leased premises or any of Tenant's rights under this Lease, so long as Tenant is not in default (beyond any applicable cure period provided for in this Lease) under any provision of this Lease at the time the holder exercises such right, remedy or privilege. Without limitation of the foregoing, the subordination set out in Section 9.1 is subject to and conditioned the agreement of the holder of the mortgage that (i) Tenant must not be named as a party to any foreclosure proceeding instituted by such holder; (ii) any sale or other transfer of the leased premises, pursuant to any foreclosure or any voluntary conveyance or other proceeding in lieu of foreclosure, will be subject to this Lease and all of Tenant's rights hereunder; and (iii) upon any sale or other transfer of the leased premises, this Lease will continue in full force and effect. Landlord will use its best efforts to obtain from the holder of any mortgage encumbering the leased premises as of the date of this Lease, a nondisturbance agreement in a form reasonably satisfactory to Tenant, agreeing to be bound by the nondisturbance provisions of this Section 9.2.

9.3 **Attornment.** Tenant will, in the event any proceedings are brought for the foreclosure of any mortgage covering the leased premises or in the event a deed is given in lieu of foreclosure, recognize the purchaser at the foreclosure sale or grantee in lieu of foreclosure as the Landlord under this Lease. Upon any attornment under this Section 9.3, this Lease continues in full force and effect as a direct Lease between Tenant and the person or entity to whom Tenant attorns, except that such person or entity will not be: (a) liable for any breach, act or omission of any prior landlord; or (b) bound by any rent or additional rent or other payment in lieu of rent which Tenant might have paid to any prior landlord more than 30 days in advance of the date due under this Lease; or (c) bound by any amendment or modification of this Lease made without the mortgage holder's prior written consent after the date upon which Tenant receives notice from the mortgage holder that the mortgage holder wishes to consent to any such amendment; or (d) bound by any notice given by Tenant to any prior landlord, unless also given to

such person or entity; or (e) subject to any then existing offset right of Tenant, unless expressly provided for in this Lease; or (f) liable for any security deposit or other sums held by any prior landlord, unless actually received.

9.4 **Estoppel Certificates.** Landlord and Tenant will each, from time to time, within 5 days after receiving a written request from the other, execute and deliver to the requesting party and any third party with whom the requesting party is dealing, a written statement in a form reasonably acceptable to all parties, certifying to the correctness of any reasonably ascertainable facts that are covered by the terms of this Lease.

## **SECTION 10** **ASSIGNMENT AND SUBLETTING**

Except as permitted by this Section, Tenant must not transfer or assign this Lease or sublease all or any part of the leased premises without Landlord's prior written consent. Tenant may, at any time, assign this Lease or sublease the leased premises to any person or entity which directly or indirectly controls, is controlled by or is under common control with Tenant or to any franchisee of Tenant. Upon any such assignment to a franchisee the Tenant named in this Lease will be released of any further obligations under this Lease. Tenant will provide prior notice to Landlord of any assignment of subletting to a franchisee.

## **SECTION 11** **WASTE AND NUISANCE/GOVERNMENTAL REGULATIONS**

11.1 **Waste and Nuisance.** Tenant will not commit or allow to be committed any waste upon the leased premises or any nuisance or other act or thing which may disturb the quiet enjoyment of any owners of the properties adjoining the leased premises.

11.2 **Governmental Regulations.** Tenant will comply with all laws, orders, rules, regulations, ordinances, directives and other requirements of all county, municipal, state and federal governments and of their administrative departments, agencies, bureaus and officials and other applicable governmental authorities, now in force, or which may hereafter be in force relative to its use of the leased premises.

## **SECTION 12** **TAKINGS**

12.1 **Total Taking.** If the whole of the leased premises is taken or condemned by eminent domain (or by voluntary conveyance under threat of eminent domain), then this Lease will terminate as of the day before the date of title vesting and all rent and other sums due hereunder will be paid up to that date.

12.2 **Partial Taking.** If any part of the leased premises is taken or condemned by eminent domain (or by voluntary conveyance under threat of eminent domain), and in the event that such partial taking or condemnation renders the leased premises unsuitable for the business of Tenant, as determined by Tenant, then Tenant will have the right to terminate this Lease by notice given to Landlord within 60 days after the date of title vesting. In the event of a partial taking or condemnation which does not render the leased premises unsuitable for the business of Tenant, then this Lease continues unmodified in full force and effect.

12.3 **Damages.** In the event of any condemnation or taking, whether whole or partial, regardless of the extent to which the leased premises is affected, the award, damages or proceeds paid or awarded in

connection with such condemnation or taking will be allocated between Landlord and Tenant as provided for by Florida law.

### **SECTION 13** **DEFAULT**

13.1 **Events of Default by Tenant.** Each of the following constitutes an event of default:

- (a) Tenant's failure to pay any installment of minimum annual or any other sum required to be paid hereunder within 10 days after written notice from Landlord to Tenant that such sum is past due.
- (b) A petition in bankruptcy is filed by or against Tenant and is not discharged within 30 days.
- (c) Tenant makes a general assignment for the benefit of creditors.
- (d) Tenant's failure to keep, observe or perform any of the other terms, conditions or covenants set forth in this Lease if the failure continues for 30 days after written notice from Landlord of such failure, or such longer period as is necessary to cure such failure using diligent efforts.

13.2 **Remedies of the Landlord.** Landlord may, without any additional notice to Tenant, do any one or more of the following if an event of default occurs:

- (i) terminate this Lease and immediately regain possession of the leased premises through any lawful means. If Landlord terminates this Lease, Landlord may hold Tenant liable for rents accrued under this Lease through the date this Lease is terminated.
- (ii) terminate Tenant's right to possession of the leased premises, without terminating this Lease, and retake possession of the leased premises for the account of Tenant and hold Tenant liable for (in addition to rents accrued through the date tenant's right to possession is terminated) the difference between the rents set forth in this Lease and any rents which Landlord can obtain from the reletting of the leased premises using diligent efforts.
- (iii) cure the event of default, and recover from Tenant upon demand all reasonable costs and expenses incurred by Landlord to cure the event of default.

The waiver of Landlord of any breach of any term, condition or covenant of this Lease is not a waiver of any subsequent breach of the same or any other term, condition or covenant herein contained.

13.3 **Administrative Fees.** In the event any payment due Landlord under this Lease is not paid within 10 days of the due date, Tenant agrees to pay to Landlord an amount equal to 2.5% of the amount due for such delinquent payment. In the event that any check given to Landlord by Tenant for any payment under this Lease is dishonored for insufficient funds, Landlord will be entitled to make an administrative charge to Tenant of \$50.00 per event.



**SECTION 14**  
**ACCESS BY LANDLORD**

Landlord and Landlord's agents will have the right to enter the leased premises (including the building that constitutes a part thereof) (i) to examine the leased premises; (ii) in connection with the exercise of any right or remedies provided by law or this Lease; (iii) in an emergency situation where such situation makes entry necessary for Landlord; (iv) to show the leased premises to prospective purchasers or mortgagees; and (v) to make such installations, repairs, alterations, improvements or additions and to do such maintenance as required by Landlord under this Lease. Any such entry will be at reasonable times agreed upon by Tenant and after notice, oral or written (except in emergencies where circumstances make entry without notice necessary) to Tenant. Any such entry will be done in a manner to minimize any interference with the operation of Tenant's business in the leased premises.

**SECTION 15**  
**RIGHT OF FIRST REFUSAL**

15.1 **Right of First Refusal.** Should Landlord, at any time during the term of this Lease, receive an offer to purchase the leased premises (or any part thereof) and desires to accept said offer, or should Landlord, at any time make an offer to sell the leased premises (or any part thereof), Landlord will give Tenant notice in writing of such offer, setting forth the name and address of the proposed purchaser, the amount of the proposed purchase price, and all other terms and conditions of such offer, and Tenant will have the first option to purchase the leased premises, exercisable by giving written notice to Landlord of its intention to purchase the leased premises within the sixty-day period following receipt of such notice from Landlord, at the same price and on the same terms and conditions of such offer. In the event Tenant elects to purchase the leased premises under this Section 16.1, the sale will be conducted in accordance with the terms of Section 15.4 through 15.9, inclusive.

15.2 **Rights Cumulative.** The right of first refusal granted in this Section 16 and the Option to Purchase granted in Section 15 are coexistent and independent. The election by Tenant not to exercise any right or option in any situation where such right or option could have been exercised will not affect Tenant's right to exercise such right or option in any future situation where such right or option is applicable.

**SECTION 16**  
**NOTICE**

16.1 **Notice to Landlord.** Any notice by Tenant to Landlord under or in connection with this Lease will be in writing and served by (i) certified or registered mail return receipt requested, postage prepaid, or (ii) nationally recognized overnight courier, addressed to Landlord at the following address or at such other address as Landlord may designate by written notice to Tenant.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

16.2 **Notice to Tenant.** Any notice by Landlord to Tenant under or in connection with this Lease will be in writing and served by (i) certified or registered mail return receipt requested, postage prepaid, or (ii) nationally recognized overnight courier, addressed to Tenant at the following address or at such other address as Tenant may designate by written notice to Landlord.

FSC FRANCHISE CO., LLC

5660 W. Cypress Street, Suite A,  
Tampa, Florida 33607

16.3 **Notice Given.** Notice given in accordance with this Section is deemed to be given and received on the earlier of (i) 3 days after being deposited in the U.S. mail in accordance with this Section; (ii) the next delivery day after being delivered for next day delivery to a nationally recognized overnight carrier; or (iii) the date upon which the return receipt is signed or delivery is refused or the notice is designated non-deliverable by the postal authorities.

**SECTION 17**  
**QUIET ENJOYMENT**

Landlord warrants and covenants that Tenant will peacefully and quietly have, hold and enjoy the leased premises for the entire term of this Lease, subject however to the terms, covenants and conditions of this Lease.

**SECTION 18**  
**RIGHTS OF FRANCHISOR**

In the event Tenant assigns this Lease to a franchisee of Tenant, the following provisions will apply following such assignment. For purposes of this Section 18, \_\_\_\_\_ will be referred to as "**Franchisor.**"

- (a) **Assignment and Subletting.** Landlord's consent will not be necessary for an assignment or subletting (i) to Franchisor or (ii) to a person or entity which directly or indirectly controls, is controlled by, or is under common control with Franchisor or (iii) to any other franchisee of Franchisor. Tenant or Franchisor will give Landlord notice of any such assignment or subletting prior to such assignment or subletting.
  
- (b) **Default of Tenant.** In the event a default occurs at any time during the term of the Lease, Landlord will provide notice of such default to Franchisor by certified mail, return receipt requested or by nationally recognized overnight courier service to the following address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

or to such other address as Franchisor will provide to Landlord. Franchisor will have 10 business days after receipt of such notice to cure any default resulting from the failure to pay any rental or other sums due under the Lease, and 20 business days after receipt of such notice to cure all other defaults or, if such default is one that requires more than 20 business days to cure, Franchisor will have such additional time as is reasonably necessary to cure the default so long as Franchisor diligently pursues the cure. Landlord will not have the right to exercise any rights or remedies provided by the Lease or otherwise available until such time as notice is given to Franchisor, and the Franchisor's cure period has expired.

- (c) **Franchisor as Tenant.** In the event Franchisor becomes the tenant under the Lease, whether by assignment or by exercise of its rights under its franchise documents, Landlord recognizes Franchisor as the Tenant under the Lease and Franchisor will, within 10 days of it becoming the Tenant, cure any then existing default in the payment of rent; provided however that Franchisor will not have any obligation to cure any default in the payment of rent as to which Franchisor was not given notice by Landlord within 20 days following the date such rent was due. The preceding sentence will not prevent Landlord from pursuing Tenant for such past due rent. Nothing in this Agreement and no exercise of any rights hereunder (including, without limitation, any curing of any Tenant's default by Franchisor) will be construed as creating on Franchisor any liability or obligation under the Lease or as Franchisor assuming any liability or obligation under the Lease; any assumption by Franchisor of any obligations under the Lease will only occur by specific written assumption executed by Franchisor. In the event Franchisor succeeds to the interest of Tenant under the Lease, Franchisor will not be responsible for any claims which Landlord may have against any prior Tenant under the Lease; except that Franchisor will pay any past due rental, subject to the limitations set out above. If Franchisor assumes the Lease, its liability under the Lease will extend only to the period of time that it is the Tenant under the Lease and will terminate upon any permitted assignment of the Lease by Franchisor.
- (d) **Amendment.** Landlord and Tenant will not cancel, terminate, modify or amend this Lease including, without limitation, Franchisor's rights under this Section, without Franchisor's prior written consent, except that, subject to Franchisor's cure rights, this paragraph will not prevent Landlord from exercising any right to cancel or terminate the Lease due to Tenant's default.
- (e) **Successors.** The benefits of this Section will inure to Franchisor's successors and assigns.

## **SECTION 19** **MISCELLANEOUS**

19.1 **Entire Agreement.** Except as may be provided in the Franchise Agreement, this Lease contains the entire agreement between Landlord and Tenant concerning the leasing of the leased premises, and no other representations or agreements, either oral or written, will survive the execution of this Lease. No subsequent alteration, amendment, change, or addition to this Lease will be binding upon the Landlord or the Tenant unless in writing and signed by the party against whom enforcement is sought. All Exhibits referenced as being attached hereto are by such reference made a part hereof.

19.2 **Consent.** Whenever Landlord's consent is required or requested under this Lease, Landlord agrees not to unreasonably withhold, delay or condition such consent.

19.3 **No Partnership or Joint Venture.** It is the intent of the parties that their relationship under this Lease be that of Landlord and Tenant only.

19.4 **Captions and Section Numbers.** The captions and section numbers appearing in this Lease are inserted as a matter of convenience and will not be viewed as defining or limiting the scope or intent of any Section of this Lease.

19.5 **Brokers Commissions.** Landlord and Tenant represent and warrant to each other that they have dealt with no broker or brokers in connection with this Lease. The party who breaches this warranty agrees to defend and indemnify the other against, and hold it harmless from all demands, claims, liabilities and costs (including, without limitation, attorneys' fees) arising from any claim for brokerage commissions or finder's fees arising out of the actual or alleged acts or commitment of said breaching party.

19.6 **Attorneys' Fees.** In any litigation arising out of this Lease, the prevailing party will be entitled to recover reasonable attorneys' fees and costs including but not limited to fees and costs at the trial and appellate level as well as in the course of any arbitration, administrative or bankruptcy proceedings.

19.7 **Partial Invalidity.** If any term, covenant, or condition of this Lease or the application thereof to any person or circumstances is, to any extent, declared invalid or unenforceable, the remainder of this Lease, or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, will not be affected thereby and each term, covenant or condition of this Lease will be valid and be enforced to the fullest extent permitted by law.

19.8 **Recording.** Neither Landlord nor Tenant will record this Lease without the written consent of the other. At the request of either party, Landlord and Tenant will execute and record a short form of this Lease.

19.9 **Timing is of the Essence.** It will be a material breach of this Lease to fail to perform any obligation within the time required or permitted by this Lease.

19.10 **Waiver of Jury Trial.** The undersigned parties hereby waive trial by jury in any proceeding based upon or arising out of Tenant's use of the leased premises, this Lease or the Landlord-Tenant relationship created by this Lease.

19.11 **Radon Gas.** The following notice is required by Florida Statute 404.056(8): Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit.

19.12 **Florida Lease.** The place of negotiation, execution, and delivery of this Lease and the location of the leased premises being the State of Florida, this Lease is governed by and construed and enforced in accordance with the laws of the State of Florida without reference to the conflicts of law principles of the State.

19.13 **Successors.** This Lease is binding on the parties hereto and their several respective successors, and assigns.

(SIGNATURES ON FOLLOWING PAGE)

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease on the dates indicated below.

**WITNESSES:**

Print Name: \_\_\_\_\_  
As to Landlord

Print Name: \_\_\_\_\_  
As to Landlord

Print Name: \_\_\_\_\_  
As to Tenant

Print Name: \_\_\_\_\_  
As to Tenant

**LANDLORD:**

\_\_\_\_\_  
a \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

**TENANT:**

\_\_\_\_\_  
a \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

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**EXHIBIT “M” TO THE DISCLOSURE DOCUMENT**

**FORM OF**

**FRANCHISEE QUESTIONNAIRE**

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BEEF 'O' BRADY'S FAMILY SPORTS PUBS  
FRANCHISEE QUESTIONNAIRE

Prior to the final execution of a Franchise Agreement, this questionnaire must be completed in its entirety. Completion of this questionnaire confirms that FSC FRANCHISE CO., LLC (FSC), its employees and representatives have fully complied with all applicable franchise registration and disclosure laws relating to the purchase of your franchise.

1. Full Name of Franchisee:

\_\_\_\_\_

2. Sports Pub Location:

\_\_\_\_\_x

3. Franchisee is: (check applicable box)

Individual       Corporation       General Partnership       Limited Partnership

Other \_\_\_\_\_

4. If Franchisee is other than an individual, indicate the capacity in which the undersigned is authorized to act on behalf of the Franchisee: (check applicable box)

Officer (insert title): \_\_\_\_\_

General Partner

Other (please explain): \_\_\_\_\_

5. Did Franchisee receive a Franchise Disclosure Document?     Yes     No

6. On what date was the Franchise Disclosure Document received, and by whom?

Date: \_\_\_\_\_      Recipient: \_\_\_\_\_

7. Name of our Company Representative who primarily worked with you on this sale:

\_\_\_\_\_

8. Have you discussed the benefits and risks of operating a Beef 'O' Brady's Family Sports Pub with an attorney, accountant or other professional advisor?

Yes     No

9. Do you understand the success or failure of your business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors?

Yes     No

10. Has any FSC employee or representative speaking on our behalf made any statement or promise concerning the revenues, profits or operating costs of a Beef 'O' Brady's Family Sports Pub that we or our franchisees operate?

Yes     No

11. Has any FSC employee or representative speaking on our behalf made any statement or promise concerning a Beef 'O' Brady's Family Sports Pub that is contrary to, or different from, the information contained in our Disclosure Document?

Yes     No

12. Has any FSC employee or representative speaking on our behalf made any statement or promise regarding the amount of money you may earn in operating a Beef 'O' Brady's Family Sports Pub?

Yes     No

13. Has any FSC employee or representative speaking on our behalf made any statement or promise concerning the total amount of revenue a Beef 'O' Brady's Family Sports Pub will generate?

Yes     No

14. Has any FSC employee or representative speaking on our behalf made any statement or promise regarding the costs you may incur in operating a Beef 'O' Brady's Family Sports Pub that is contrary to, or different from, the information contained in our Disclosure Document?

Yes     No

15. Has any FSC employee or representative speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Beef 'O' Brady's Family Sports Pub?

Yes     No

16. Has any FSC employee or representative speaking on our behalf made any statement or promise about FSC's parent or affiliated companies other than the information contained in the FDD?

Yes     No

17. Has any FSC employee or representative speaking on our behalf made any statement, promise or agreement concerning the advertising, marketing, training, support services or assistance that we will furnish to you that is contrary to, or different from, the information contained in our Disclosure Document?

Yes     No

18. If you have answered "Yes" to any of questions 10 through 17 above, please provide a full explanation of your answer in the following blank lines. Attach additional pages, if necessary. If you answered "No" to each of questions 10 through 17, leave the following lines blank.



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19. Please list all Beef 'O' Brady's locations you have visited during your research on our franchise system:

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You understand that FSC is relying on the truthfulness and completeness of your responses to the questions above in granting a Franchise to you. By signing this Franchise Questionnaire, you are stating you have responded truthfully to all of the above questions. YOU ACKNOWLEDGE AND AGREE THAT IN THE EVENT OF ANY DISPUTE ARISING BETWEEN YOURSELF AND FSC, THIS QUESTIONNAIRE SHALL BE ADMISSIBLE AS EVIDENCE IN ANY LEGAL ACTION OR ARBITRATION PROCEEDING, AND YOU HEREBY WAIVE, TO THE FULLEST EXTENT PERMISSIBLE UNDER THE LAW, ANY OBJECTION TO SUCH ADMISSION OF THIS QUESTIONNAIRE.

FRANCHISEE:

DATE:

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*(Print Name)*

Individually and on behalf of:

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**EXHIBIT “N” TO THE DISCLOSURE DOCUMENT,  
FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT**

**STATE SPECIFIC AND OTHER  
ADDENDA AND RIDERS**

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**ADDENDUM  
TO THE FSC FRANCHISE CO., LLC  
CALIFORNIA DISCLOSURE DOCUMENT**

The following paragraphs are added to the Disclosure Document:

www.beefobradys.com

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF CORPORATIONS at [www.corp.ca.gov](http://www.corp.ca.gov).

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

The following paragraphs are added at the end of Item 17 of the Disclosure Document pursuant to regulations promulgated under the California Franchise Investment Law:

California Law Regarding Termination and Nonrenewal. California Business and Professions Code Sections 20000 through 20043 provide rights to franchisees concerning termination or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

Termination Upon Bankruptcy. The Franchise Agreement provides for termination upon bankruptcy. This provisions may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 *et. seq.*).

Post-Termination Noncompetition Covenants. The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the respective agreement. These provisions may not be enforceable under California law.

Applicable Law. The Franchise Agreement requires application of the laws of Florida with certain exceptions. These provisions may not be enforceable under California law.

Venue. The Franchise Agreement requires venue to be limited to Florida. This provision may not be enforceable under California law. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5 Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

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

the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

Material Modifications. California Corporations Code, Section 31125 requires us to give you a disclosure document, approved by the Department of Corporations before we ask you to consider a material modification of your franchise agreement.

Securities Orders. Neither the franchisor nor any person disclosed in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

The following paragraph is added at the end of Item 19 of the Franchise Disclosure Document pursuant to the regulations promulgated under the California Franchise Investment Law:

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

**ILLINOIS ADDENDUM TO  
FSC FRANCHISE CO., LLC  
FRANCHISE DISCLOSURE DOCUMENT**

**Item 5 is modified to: read:**

**Franchise Fee.** Payment of the Franchise Fee is deferred until we have provided you with training, pre-opening assistance, and you have opened your Family Sports Pub for business.

A deferral requirement has been imposed by the Illinois Attorney General's office based on the Franchisor's financial condition.

**Item 17(f) is modified to: include the following sentence:**

The conditions under which you can be terminated and your rights on non-renewal may be affected by Illinois law, 815 ILCS 705/19 and 705/20.

**Item 17(u), (v), and (w) are modified to: include the following:**

The Illinois Franchise Disclosure Act will govern any franchise agreement or area development if: (a) it applies to a franchise located in Illinois; or (b) a franchisee who resides in Illinois. Any condition of the franchise agreement and/or the area development agreement that designates litigation, jurisdiction or venue in a forum outside of Illinois is void as to any cause of action that otherwise is enforceable in Illinois, provided that the franchise agreement and/or the area development may provide for arbitration in a forum outside of Illinois. Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of Illinois law is void.

**RIDER TO  
FSC FRANCHISE CO, LLC  
FRANCHISE AGREEMENT  
FOR USE IN ILLINOIS**

This Rider is entered into this \_\_\_\_\_, 20\_\_ (the “**Effective Date**”), between **FSC FRANCHISE CO, LLC**, a Delaware limited liability company, with its principal business address at 5660 W. Cypress Street, Suite A, Tampa, Florida 33607 (referred to in this Agreement as “**Franchisor**,” “**we**,” “**us**” or “**our**”), and \_\_\_\_\_

\_\_\_\_\_, whose principal business address is \_\_\_\_\_ (referred to in this Agreement as “**you**,” “**your**” or “**Franchisee**”) and amends the Franchise Agreement between the parties dated as of the Effective Date (the “**Agreement**”).

1. **Precedence and Defined Terms.** This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. **Franchise Fee.** Payment of the Franchise Fee is deferred until we have provided you with training, pre-opening assistance, and you have opened your Family Sports Pub for business.

3. **Termination.** The following is added to Section 16 of the Agreement:

The conditions under which this franchise can be terminated and the parties’ rights on termination may be affected by Illinois law, 815 ILCS 705/1-44.

4. **Limitation of Claims.** The following is added to Section 19.6 of the Agreement:

No action can be maintained to enforce any liability created by the Illinois law unless brought before the earlier of (i) the expiration of 3 years after the act or transaction constituting the violation upon which such action is based; (ii) the expiration of 1 year after you become aware of facts or circumstances reasonably indicating that you may have a claim for relief in respect to conduct governed by Illinois Law; or (iii) 90 days after delivery to you of a written notice disclosing the violation.

5. **Governing Law and Jurisdiction.** Sections 19.7 and 19.8 of the Agreement are amended by adding the following:

All matters coming under the Illinois Franchise Disclosure Law (the “**Illinois Act**”) will be governed by the Illinois Act. The Franchisor and the Franchisee irrevocably submit to the jurisdiction and venue of the federal and state courts in Illinois for all matters coming under the Illinois Act.

6. **Waiver of Jury Trial.** Section 19.9 of the Franchise Agreement is deleted in its entirety.

7. **Entire Agreement.** Section 19.13 of the Agreement is amended by adding the following:

Nothing contained in the Agreement waives any of the Franchisee’s rights to rely on the disclosures made by the Franchisor in its Franchise Disclosure Document or any corresponding rights the Franchisee has under the Illinois Act.

Intending to be bound, you and we sign and deliver this Rider in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

**US:**  
**FSC FRANCHISE CO, LLC**

**YOU:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**RIDER TO  
FSC FRANCHISE CO, LLC  
AREA DEVELOPMENT AGREEMENT  
FOR USE IN ILLINOIS**

This Rider is entered into this \_\_\_\_\_, 20\_\_ (the “**Effective Date**”), between **FSC FRANCHISE CO, LLC**, a Delaware limited liability company, with its principal business address at 5660 W. Cypress Street, Suite A, Tampa, Florida 33607 (referred to in this Agreement as “**we**,” “**us**” or “**our**”), and

\_\_\_\_\_, whose principal business address is \_\_\_\_\_ (referred to in this Agreement as “**you**,” “**your**”) and amends the Area Development Agreement between the parties dated as of the Effective Date (the “**Agreement**”).

1. **Precedence and Defined Terms.** This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. **Area Development Fee.** Payment of the Area Development Fee is deferred until you have opened your Family Sports Pub development business.

3. **Termination.** The following is added to Section 9 of the Agreement:

The conditions under which this agreement can be terminated and the parties’ rights on termination may be affected by Illinois law, 815 ILCS 705/1-44.

4. **Limitation of Claims.** The following is added to Section 13.6 of the Agreement:

No action can be maintained to enforce any liability created by the Illinois law unless brought before the earlier of (i) the expiration of 3 years after the act or transaction constituting the violation upon which such action is based; (ii) the expiration of 1 year after you become aware of facts or circumstances reasonably indicating that you may have a claim for relief in respect to conduct governed by Illinois Law; or (iii) 90 days after delivery to you of a written notice disclosing the violation.

5. **Governing Law and Jurisdiction.** Sections 13.7 and 13.8 of the Agreement are amended by adding the following:

All matters coming under the Illinois Franchise Disclosure Law (the “**Illinois Act**”) will be governed by the Illinois Act. The parties irrevocably submit to the jurisdiction and venue of the federal and state courts in Illinois for all matters coming under the Illinois Act.

6. **Waiver of Jury Trial.** Section 13.9 of the Area Development Agreement is deleted in its entirety.

7. **Entire Agreement.** Section 13.13 of the Agreement is amended by adding the following:



Nothing contained in the Agreement waives any of your rights to rely on the disclosures made by us in our Franchise Disclosure Document or any corresponding rights you have under the Illinois Act.

Intending to be bound, you and we sign and deliver this Rider in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

**US:**  
**FSC FRANCHISE CO, LLC**

**YOU:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**INDIANA ADDENDUM TO  
FSC FRANCHISE CO., LLC  
FRANCHISE DISCLOSURE DOCUMENT**

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

1. Notwithstanding the terms of Section 19.7 of the Franchise Agreement and Section 13.7 of the Area Development Agreement, the Franchise Agreement and Area Development Agreement will be governed by Indiana law, rather than Florida law.
2. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as a material breach of the franchise agreement, shall supersede the provisions of Article 16 of the Franchise Agreement and Article 9 of the Area Development Agreement in the State of Indiana to the extent they may be inconsistent with such prohibition.
3. No release language set forth in the Franchise Agreement or Area Development Agreement shall relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.
4. Section 17.4 of the Franchise Agreement, Section 7.3 of the Area Development Agreement and Exhibits Q-1 and Q-2 to the Franchise Disclosure Document (Confidentiality, Nonsolicitation and Noncompetition Agreement) are revised to limit the geographical extent of the post-term covenant not to compete to Franchisee's Protected Territory for all franchises sold in the State of Indiana.
5. Section 19.5 of the Franchise Agreement and Section 13.5 of the Area Development Agreement ("Waiver of Punitive Damages") is deleted from all Franchise Agreements and Area Development Agreements used in the State of Indiana.
6. Notwithstanding the terms of Section 9.17 of the Franchise Agreement and Section 12.4 of the Area Development Agreement ("Indemnification"), Franchisee will not be required to indemnify Franchisor and the other Indemnitees for any liability caused by Franchisee's proper reliance on or use of procedures or materials provided by Franchisor or caused by Franchisor's negligence.

**RIDER TO  
FSC FRANCHISE CO., LLC  
FRANCHISE AGREEMENT  
FOR USE IN INDIANA**

This Rider is entered into this \_\_\_\_\_, 20\_\_ (the “**Effective Date**”), between **FSC FRANCHISE CO., LLC**, a Delaware limited liability company, with its principal business address at 5660 W. Cypress Street, Suite A, Tampa, Florida 33607 (referred to in this Agreement as “**Franchisor**,” “**we**,” “**us**” or “**our**”), and \_\_\_\_\_, whose principal business address is \_\_\_\_\_ (referred to in this Agreement as “**you**,” “**your**” or “**Franchisee**”) and amends the Franchise Agreement between the parties dated as of the Effective Date (the “**Agreement**”).

1. Notwithstanding the terms of Section 19.7 of the Franchise Agreement the Franchise Agreement will be governed by Indiana law, rather than Florida law.
2. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as a material breach of the franchise agreement, shall supersede the provisions of Article 16 of the Franchise Agreement in the State of Indiana to the extent they may be inconsistent with such prohibition.
3. No release language set forth in the Franchise Agreement shall relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.
4. Section 17.4 of the Franchise Agreement, Section 7.3 of the Area Development Agreement and Exhibit Q-1 to the Franchise Disclosure Document (Confidentiality, Nonsolicitation and Noncompetition Agreement) are revised to limit the geographical extent of the post-term covenant not to compete to Franchisee's Protected Territory for all franchises sold in the State of Indiana.
5. Section 19.5 of the Franchise Agreement (“Waiver of Punitive Damages”) is deleted from all Franchise Agreements used in the State of Indiana.
6. Notwithstanding the terms of Section 9.17 of the Franchise Agreement (“Indemnification”), Franchisee will not be required to indemnify Franchisor and the other Indemnitees for any liability caused by Franchisee’s proper reliance on or use of procedures or materials provided by Franchisor or caused by Franchisor’s negligence.

Intending to be bound, you and we sign and deliver this Rider in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

**US:**  
**FSC FRANCHISE CO., LLC**

**YOU:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**RIDER TO  
FSC FRANCHISE CO., LLC  
AREA DEVELOPMENT AGREEMENT  
FOR USE IN INDIANA**

This Rider is entered into this \_\_\_\_\_, 20\_\_ (the “**Effective Date**”), between **FSC FRANCHISE CO., LLC**, a Delaware limited liability company, with its principal business address at 5660 W. Cypress Street, Suite A, Tampa, Florida 33607 (referred to in this Agreement as “**Franchisor**,” “**we**,” “**us**” or “**our**”), and \_\_\_\_\_

\_\_\_\_\_, whose principal business address is \_\_\_\_\_ (referred to in this Agreement as “**you**,” “**your**” or “**Franchisee**”) and amends the Franchise Agreement between the parties dated as of the Effective Date (the “**Agreement**”).

1. Notwithstanding the terms of Section 13.7 of the Area Development Agreement, the Area Development Agreement will be governed by Indiana law, rather than Florida law.
2. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as a material breach of the franchise agreement, shall supersede the provisions of Article 9 of the Area Development Agreement in the State of Indiana to the extent they may be inconsistent with such prohibition.
3. No release language set forth in the Area Development Agreement shall relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.
4. Section 7.3 of the Area Development Agreement and Exhibit Q-2 to the Franchise Disclosure Document (Confidentiality, Nonsolicitation and Noncompetition Agreement) are revised to limit the geographical extent of the post-term covenant not to compete to Franchisee's Protected Territory for all franchises sold in the State of Indiana.
5. Section 13.5 of the Area Development Agreement (“Waiver of Punitive Damages”) is deleted from all Franchise Agreements and Area Development Agreements used in the State of Indiana.
6. Notwithstanding the terms of Section 12.4 of the Area Development Agreement (“Indemnification”), Franchisee will not be required to indemnify Franchisor and the other Indemnitees for any liability caused by Franchisee’s proper reliance on or use of procedures or materials provided by Franchisor or caused by Franchisor’s negligence.

Intending to be bound, you and we sign and deliver this Rider in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

**US:**  
**FSC FRANCHISE CO., LLC**

**YOU:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**MARYLAND ADDENDUM TO THE  
FSC FRANCHISE CO, LLC  
FRANCHISE DISCLOSURE DOCUMENT**

**1. Item 5 is modified to include the following in the Initial Fee Section:**

Payment of the Franchise Fee and all other fees paid to us by you, including payments for goods and services received from us before the business opens, are deferred until such time as all material pre-opening obligations owed to you under the franchise agreement or other documents have been fulfilled by us.

**2. Item 5 is modified to include the following in the Area Development Fee Section:**

Payment of the Area Development Fee is deferred until such time as all material initial obligations owed to you under the area development agreement or other documents have been fulfilled by us.

**3. Item 17 is amended by adding the following language after the table:**

- (a) You may sue in Maryland for claims arising under the Maryland franchise registration and disclosure law (the “**Maryland Law**”). Any claims arising under the Maryland law must be brought within 3 years after the grant of the franchise.
- (b) The provision in the franchise agreement which provides for termination upon bankruptcy of the franchisee may not be enforceable under Federal Bankruptcy Law (11 U.S.C. Section 1010 et seq.)
- (c) Pursuant to COMAR 02.02.08.16L, the General Release required as a condition of renewal, sale and/or transfer does not apply to any liability under the Maryland law.

**4. Exhibit R to the Franchise Disclosure Document (Franchisee Questionnaire) is amended by adding the following language:**

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration Law.

**RIDER TO  
FSC FRANCHISE CO., LLC  
FRANCHISE AGREEMENT  
FOR USE IN MARYLAND**

This Rider is entered into this \_\_\_\_\_, 20\_\_ (the “**Effective Date**”), between **FSC FRANCHISE CO., LLC**, a Delaware limited liability company, with its principal business address at 5660 W. Cypress Street, Suite A, Tampa, Florida 33607 (referred to in this Agreement as “**Franchisor**,” “**we**,” “**us**” or “**our**”), and \_\_\_\_\_, whose principal business address is \_\_\_\_\_ (referred to in this Agreement as “**you**,” “**your**” or “**Franchisee**”) and amends the Franchise Agreement between the parties dated as of the Effective Date (the “**Agreement**”).

1. **Precedence and Defined Terms**. This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. **Deferral of Initial Fees**: Payment of the Franchise Fee and all other fees paid to us by you, including payments for goods and services received from us before the business opens, are deferred until such time as all material pre-opening obligations owed to you under the Franchise Agreement or other documents have been fulfilled by us.

3. **No Release, Estoppel or Waiver of State Law**. Nothing in this Agreement is intended to nor will it act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law (“**Maryland Law**”).

4. **Jurisdiction**. Any litigation arising on claims under Maryland Law may be brought by the Franchisee in Maryland.

5. **Limitation on Claims**. Nothing in this Agreement will reduce the 3-year statute of limitations afforded a franchisee for bringing a claim arising under Maryland Law. All claims arising under the Maryland Law must be brought within 3 years after the grant of the franchise.

6. **General Release**. No general release required as a condition of renewal, sale and/or assignment or transfer will apply to any liability arising under Maryland Law.

Intending to be bound, you and we sign and deliver this Rider in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

**US:**  
**FSC FRANCHISE CO., LLC**

**YOU:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**RIDER TO  
FSC FRANCHISE CO., LLC  
AREA DEVELOPMENT AGREEMENT  
FOR USE IN MARYLAND**

This Rider is entered into this \_\_\_\_\_, 20\_\_ (the “**Effective Date**”), between **FSC FRANCHISE CO., LLC**, a Delaware limited liability company, with its principal business address at 5660 W. Cypress Street, Suite A, Tampa, Florida 33607 (referred to in this Agreement as “**Franchisor**,” “**we**,” “**us**” or “**our**”), and \_\_\_\_\_, whose principal business address is \_\_\_\_\_ (referred to in this Agreement as “**you**,” “**your**” or “**Franchisee**”) and amends the Area Development Agreement between the parties dated as of the Effective Date (the “**Agreement**”).

1. **Precedence and Defined Terms.** This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. **Area Development Fee.** Payment of the Area Development Fee is deferred until such time as all material initial obligations owed to you under the Area Development Agreement or other documents have been fulfilled by us.

3. **No Release, Estoppel or Waiver of State Law.** Nothing in this Agreement is intended to nor will it act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law (“**Maryland Law**”).

4. **Jurisdiction.** Any litigation arising on claims under Maryland Law may be brought by the Franchisee in Maryland.

5. **Limitation on Claims.** Nothing in this Agreement will reduce the 3-year statute of limitations afforded a franchisee for bringing a claim arising under Maryland Law. All claims arising under the Maryland Law must be brought within 3 years after the grant of the franchise.

6. **General Release.** No general release required as a condition of renewal, sale and/or assignment or transfer will apply to any liability arising under Maryland Law.

Intending to be bound, you and we sign and deliver this Rider in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

**US:  
FSC FRANCHISE CO., LLC**

**YOU:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_



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

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

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
  - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.
  - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
  - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

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

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000.00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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

Any questions regarding this notice should be directed to:

State of Michigan  
Department of Attorney General  
CONSUMER PROTECTION DIVISION  
Attention: Franchise  
G. Mennen Williams Building  
525 West Ottawa Street, 7<sup>th</sup> Floor  
Lansing, Michigan 48909  
Telephone Number: (517) 373-7117

**MINNESOTA ADDENDUM TO THE  
FSC FRANCHISE CO., LLC  
DISCLOSURE DOCUMENT**

1. Item 13 is amended to add the following:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.12, Subd. 1(g) which requires us to indemnify you from any loss, costs or expenses arising out of any claims, suits or demands regarding your use of the Marks.

2. Item 17, summary column for (c) is amended to add the following:

Any release signed as a condition of renewal will not apply to any claims you may have under the Minnesota Franchise Act.

3. Item 17, summary column for (f) is amended to add the following:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Sbds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days notice of termination (with 60 days to cure) and 180 days notice for nonrenewal of the franchise agreement and that consent to transfer of the franchise will not be unreasonably withheld.

4. Item 17, summary column for (m) is amended to add the following:

Any release signed as a condition of transfer will not apply to any claims you may have under the Minnesota Franchise Act.

5. Item 17, summary columns for (v) and (w) are amended to add the following:

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in this 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 of the jurisdiction.

6. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

7. The Limitation of Claims section must comply with Minnesota Statutes Section 80C.17, Subd. 5.

**RIDER TO  
FSC FRANCHISE CO., LLC  
FRANCHISE AGREEMENT  
FOR USE IN MINNESOTA**

This Rider is entered into this \_\_\_\_\_, 20\_\_ (the “**Effective Date**”), between **FSC FRANCHISE CO., LLC**, a Delaware limited liability company, with its principal business address at 5660 W. Cypress Street, Suite A, Tampa, Florida 33607 (“**Franchisor**,” “**we**,” “**us**” or “**our**”), and \_\_\_\_\_, a \_\_\_\_\_ whose principal business address is \_\_\_\_\_ (“**you**,” “**your**” or “**Franchisee**”) and amends the Franchise Agreement between the parties dated as of the Effective Date, (the “**Agreement**”).

1. **Precedence and Defined Terms**. This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. **Limitation of Claims**. Section 19.6 of the Agreement is deleted in its entirety.

3. **Termination**. Section 16 of the Agreement is amended to add the following:

With respect to franchises governed by Minnesota Law, we will comply with Minn. Stat. Sec. 80c.14, Subds. 3, 4, and 5, which require, except in certain specified cases, that you be given 90 days notice of termination (with 60 days to cure).

4. **Jurisdiction**. The following is added to Section 19.6:

Minn. Stat. Sec. 80C.21 and Minn. Rules 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or franchise agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

5. **Waiver of Jury Trial**. Section 19.9 is deleted in its entirety.

6. **Notification of Infringement and Claims**. The following is added at the end of Section 8.3:

We will protect your right to use the Marks or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Marks to the extent required by Minn. Stat. Sec. 80C.122, Subd. 1(g).

7. **Releases**. No release signed as a condition of renewal, transfer or our purchase of your business under Section 3.3, Section 15.3 (f) or 17.5, respectively, will apply to any claims you may have under the Minnesota Franchise Act.

8. **Injunctive Relief**. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

Intending to be bound, you and we sign and deliver this Rider in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

**US:**  
**FSC FRANCHISE CO., LLC**

**YOU:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**RIDER TO  
FSC FRANCHISE CO., LLC  
AREA DEVELOPMENT AGREEMENT  
FOR USE IN MINNESOTA**

This Rider is entered into this \_\_\_\_\_, 20\_\_ (the “**Effective Date**”), between **FSC FRANCHISE CO., LLC**, a Delaware limited liability company, with its principal business address at 5660 W. Cypress Street, Suite A, Tampa, Florida 33607 (“**we**,” “**us**” or “**our**”), and \_\_\_\_\_, a \_\_\_\_\_ whose principal business address is \_\_\_\_\_

(the “**you**,” “**your**” or “**Developer**”) and amends the Area Development Agreement between the parties dated as of the Effective Date, (the “**Agreement**”).

1. **Precedence and Defined Terms**. This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. **Limitation of Claims**. Section 13.6 of the Agreement is deleted in its entirety.

3. **Termination**. Section 9 of the Agreement is amended to add the following:

With respect to franchises governed by Minnesota Law, we will comply with Minn. Stat. Sec. 80c.14, Subds. 3, 4, and 5, which require, except in certain specified cases, that you be given 90 days notice of termination (with 60 days to cure).

4. **Jurisdiction**. The following is added to Section 13.8:

Minn. Stat. Sec. 80C.21 and Minn. Rules 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or franchise agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

5. **Waiver of Jury Trial**. Section 13.9 is deleted in its entirety.

6. **Notification of Infringement and Claims**. The following is added at the end of Section 8.3:

We will protect your right to use the Marks or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Marks to the extent required by Minn. Stat. Sec. 80C.122, Subd. 1(g).

7. **Releases**. No release signed as a condition of renewal or transfer under Section 2.2 (a) (v) or Section 11.4 (b) (v), respectively, will apply to any claims you may have under the Minnesota Franchise Act.

8. **Injunctive Relief**. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

Intending to be bound, you and we sign and deliver this Rider in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

**FSC FRANCHISE CO., LLC**

**DEVELOPER**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**NEW YORK ADDENDUM TO THE  
FSC FRANCHISE CO., LLC  
DISCLOSURE DOCUMENT**

Notwithstanding anything to the contrary set forth in the Disclosure Document or Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold under the laws of the State of New York:

**THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS.**

**ITEM 2. BUSINESS EXPERIENCE**

Item 2 of the Disclosure Document lists the directors, principal officers and other executives who will have management responsibility in connection with the operation of FSC Franchise Co., LLC's business relating to the franchises offered by this disclosure document, with a statement for each regarding his principal occupations over the past five years.

**ITEM 3. LITIGATION**

Neither FSC Franchise Co., LLC, its affiliates nor any person named in Item 2 above has pending any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) alleging a violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations.

Neither FSC Franchise Co., LLC, its affiliates nor any person named in Item 2 above has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten year period immediately preceding the application for registration, has been convicted of a misdemeanor or pleaded nolo contendere to a misdemeanor charge or been held liable in a civil action by final judgment or been the subject of a material complaint or other legal proceeding, if such misdemeanor conviction or charge or civil action, complaint or other legal proceeding involved violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations.

Neither FSC Franchise Co., LLC, its affiliates, nor any person named in Item 2 above is subject to any currently effective injunctive or restrictive order or decree relating to franchises in general or the franchise offered or under any federal, state or Canadian franchise, securities, antitrust, trade regulation or trade practice law as a result of a concluded or pending action or proceeding brought by a public agency.

**ITEM 4. BANKRUPTCY**

Neither FSC Franchise Co., LLC nor any predecessor, affiliate, officer or general partner of FSC Franchise Co., LLC has, during the ten year period immediately preceding the date of this disclosure document, (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts



under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of FSC Franchise Co., LLC held this position in the company or partnership.

#### **ITEM 5. INITIAL FEES**

We use the proceeds from Franchise Fees and Area Development Fees to defray a portion of our expenses in connection with the sale and establishment of franchises, such as: (1) costs related to developing and improving our services; (2) expenses of preparing and registering this disclosure document; (3) legal fees; (4) accounting fees; (5) costs of obtaining and screening franchisees; and, (6) general administrative expenses.

#### **ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

1. You may utilize whatever legal rights you may possess to suspend or discontinue operations due to a breach by FSC Franchise Co., LLC and you may terminate the Franchise Agreement or Area Development Agreement on any grounds available by law.

2. Sections 3.3, 15.3 (f) and 17.5 of the Franchise Agreement and Sections 2.2 (a) (v) and 11.4 (b) (v) of the Area Development Agreement are each amended to include the following language immediately following the requirement that Franchisee execute a General Release:

"Provided, however, that all rights enjoyed by Franchisee and any causes of action arising in its favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of GBL, Section 687.4 and 687.5 be satisfied."

3. The following sentence is added at the end of the section entitled "Modification" in Item 17 of the Disclosure Document:

"However, any new or different requirement set forth will not unreasonably increase your obligations or place an excessive economic burden on your operations."

4. The following language is added to Item 17 (w) ("Choice of law"):

"The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the state of New York."

**RIDER TO  
FSC FRANCHISE CO., LLC  
FRANCHISE AGREEMENT  
FOR USE IN NEW YORK**

THIS RIDER (the "Rider") is effective as of \_\_\_\_\_, 20\_\_\_\_ (the "Agreement Date"), and amends the Franchise Agreement dated \_\_\_\_\_, 20\_\_\_\_ (the "Agreement"), between FSC FRANCHISE CO., LLC, a Delaware limited liability company ("we," "us," "our" or "Franchisor") with its principal office at 5660 W. Cypress Street, Suite A, Tampa, Florida 33607, and \_\_\_\_\_ ("you," "your" or "Franchisee"), whose mailing address is \_\_\_\_\_.

1. **Precedence and Defined Terms.** This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. **Confidential Operating Manuals.** The following sentence is added to Section 11.1 of the Franchise Agreement ("Confidential Operating Manuals"):

"Any new or different requirement set forth in the Manuals will not unreasonably increase your obligations or place an excessive economic burden on your operations."

3. **General Releases.** Sections 3.3, 15.3 (f) and 17.5 of the Franchise Agreement are each amended to include the following language immediately following the requirement that Franchisee execute a General Release:

"Provided, however, that all rights enjoyed by Franchisee and any causes of action arising in its favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder will remain in force; it being the intent of this proviso that the non-waiver provisions of GBL, Section 687.4 and 687.5 be satisfied."

Intending to be bound, you and we sign and deliver this Rider in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

**US:  
FSC FRANCHISE CO., LLC**

**YOU:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**RIDER TO  
FSC FRANCHISE CO., LLC  
AREA DEVELOPMENT AGREEMENT  
FOR USE IN NEW YORK**

THIS RIDER (the "Rider") is effective as of \_\_\_\_\_, 20\_\_ (the "Agreement Date"), and amends the Area Development Agreement dated \_\_\_\_\_, 20\_\_ (the "Agreement"), between FSC FRANCHISE CO., LLC, a Delaware limited liability company ("we," "us," "our" or "Franchisor") with its principal office at 5660 W. Cypress Street, Suite A, Tampa, Florida 33607, and \_\_\_\_\_ ("you," "your" or "Franchisee"), whose mailing address is \_\_\_\_\_.

1. **Precedence and Defined Terms.** This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. **General Releases.** Sections 2.2 (a) (v) and 11.4 (b) (v) of the Area Development Agreement are each amended to include the following language immediately following the requirement that Franchisee execute a General Release:

"Provided, however, that all rights enjoyed by Franchisee and any causes of action arising in its favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder will remain in force; it being the intent of this proviso that the non-waiver provisions of GBL, Section 687.4 and 687.5 be satisfied."

Intending to be bound, you and we sign and deliver this Rider in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

**US:**  
**FSC FRANCHISE CO., LLC**

**YOU:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**NORTH DAKOTA ADDENDUM TO THE  
FSC FRANCHISE CO., LLC  
DISCLOSURE DOCUMENT**

1. **Item 5 is modified to include the following in the Initial Fee Section:**

Your payment of all initial fees and payments for services or goods from us or any affiliate is deferred until such time as all initial obligations owed to you under the franchise agreement or other documents have been fulfilled by us and you have commenced doing business pursuant to the franchise agreement.

**Item 5 is modified to include the following in the Area Development Fee Section:**

Your payment of all initial fees and payments for services or goods from us or any affiliate is deferred until such time as all initial obligations owed to you under the area development agreement or other documents have been fulfilled by us and you have commenced doing business as an area developer.

2. Following the word “releases: in the Summary column of Item 17 paragraph (c) of this Disclosure Document, the following language is added:

“except for matters coming under the North Dakota Franchise Investment Law (the “**ND Law**”).”

3. Following the word “releases”: in the Summary column of Item 17 paragraph (m) of this Disclosure Document, the following language is added:

“except for matters coming under the ND Law.”

4. The Summary column of Item 17 paragraph (r) of this Disclosure Document is modified by adding the following at the end of the sentence:

“Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.”

5. The Summary column of Item 17 paragraph (u) of this Disclosure Document is amended by adding the following at the end of the paragraph:

“except that matters coming under the ND Law will be submitted to mediation in a mutually agreeable location.”

6. The Summary column of Item 17 paragraph (v) of this Disclosure Document is amended to read as follows:

“Except for matters coming under the ND Law, litigation must be in Hillsborough County, Florida.”

7. The Summary column of Item 17 paragraph (w) of this Disclosure Document is amended to read as follows:

“Except for matters coming under the ND Law, Florida law applies (subject to state law)”

8. The Franchisee is not required to waive jury trial for any matters coming under ND Law.

**RIDER TO  
FSC FRANCHISE CO., LLC  
FRANCHISE AGREEMENT  
FOR USE IN NORTH DAKOTA**

THIS RIDER (the “Rider”) is effective as of \_\_\_\_\_, 20\_\_\_\_ (the “Agreement Date”), and amends the Franchise Agreement dated \_\_\_\_\_, 20\_\_\_\_ (the “Agreement”), between FSC FRANCHISE CO., LLC, a Delaware limited liability company (“we,” “us,” “our” or “Franchisor”) with its principal office at 5660 W. Cypress Street, Suite A, Tampa, Florida 33607, and \_\_\_\_\_ (“you,” “your” or “Franchisee”), whose mailing address is \_\_\_\_\_.

1. **Precedence and Defined Terms.** This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. **Franchise Fee.** Payment of the Franchise Fee is deferred until we have provided you with training, pre-opening assistance, and you have opened your Family Sports Pub for business.

3. **Grant of Successor Franchise.** You are not required to sign a general release as to any matters coming under the North Dakota Franchise Investment Law (the “ND Law”).

4. **Post-Term Competitive Restrictions.** Covenants not to compete, such as those mentioned in this section, are generally unenforceable in the State of North Dakota.

5. **Jurisdiction.** All matters coming under the ND Law may be brought in the courts of North Dakota.

6. **Waiver of Punitive Damages.** Paragraph 19.5 of the Franchise Agreement is deleted in its entirety.

7. **Limitation of Claims.** The statute of limitations under ND Law applies to all matters coming under ND Law.

8. **Governing Law.** This Agreement will be governed by North Dakota law.

9. **Waiver of Jury Trial.** Section 19.9 of the Franchise Agreement is deleted in its entirety.

10. **Mediation.** All matters being mediated under ND Law may be brought in a location agreeable to both the Franchisor and the Franchisee.

Intending to be bound, you and we sign and deliver this Rider in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

**US:  
FSC FRANCHISE CO., LLC**

**YOU:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**RIDER TO  
FSC FRANCHISE CO., LLC  
AREA DEVELOPMENT AGREEMENT  
FOR USE IN NORTH DAKOTA**

THIS RIDER (the “Rider”) is effective as of \_\_\_\_\_, 20\_\_ (the “Agreement Date”), and amends the Area Development Agreement dated \_\_\_\_\_, 20\_\_ (the “Agreement”), between FSC FRANCHISE CO., LLC, a Delaware limited liability company (“we,” “us,” “our” or “Franchisor”) with its principal office at 5660 W. Cypress Street, Suite A, Tampa, Florida 33607, and \_\_\_\_\_ (“you,” “your” or “Franchisee”), whose mailing address is \_\_\_\_\_.

1. **Precedence and Defined Terms.** This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. **Area Development Fee.** Payment of the Area Development Fee is deferred until you have opened your Family Sports Pub development business.

3. **Grant of Successor Franchise.** You are not required to sign a general release as to any matters coming under the North Dakota Franchise Investment Law (the “ND Law”).

4. **Post-Term Competitive Restrictions.** Covenants not to compete, such as those mentioned in this section, are generally unenforceable in the State of North Dakota.

5. **Jurisdiction.** All matters coming under the ND Law may be brought in the courts of North Dakota.

6. **Waiver of Punitive Damages.** Paragraph 13.5 of the Development Agreement is deleted in its entirety.

7. **Limitation of Claims.** The statute of limitations under ND Law applies to all matters coming under ND Law.

8. **Governing Law.** This Agreement will be governed by North Dakota law.

9. **Waiver of Jury Trial.** Section 13.9 of the Development Agreement is deleted in its entirety.

10. **Mediation.** All matters being mediated under ND Law may be brought in a location agreeable to both the Franchisor and the Franchisee.

Intending to be bound, you and we sign and deliver this Rider in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

**US:**  
**FSC FRANCHISE CO., LLC**

**YOU:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_



**RHODE ISLAND ADDENDUM TO THE  
FSC FRANCHISE CO., LLC  
DISCLOSURE DOCUMENT**

In recognition of the requirements of the State of Rhode Island Franchise Investment Act (the “Act”), §19-28.1 *et seq.*, the Franchise Disclosure Document submitted by FSC Franchise CO., LLC, for use in the State of Rhode Island is amended as follows:

1. Item 17 u. - Dispute resolution by arbitration or mediation shall comply with §19-28.1-21 of the Act - Private civil actions - and be amended to read:
  - (a.) A person who violates any provision of this Act is liable to the franchisee for damages, costs, and attorneys and experts fees. In the case of a violation of §§ 19-28.1-5, 19-28.1-8, or 19-28.1-17(1)-(5), the franchisee may also sue for rescission. No person shall be liable under this section if the defendant proves that the plaintiff knew the facts concerning the violation.
  - (b) Every person who directly or indirectly controls a person liable under this section, every principal executive officer or director of the liable person, every person occupying a similar status or performing similar functions, and every agent or employee of a liable person, who materially aids in the act or transaction constituting the violation, is also liable jointly and severally with and to the same extent as the person liable under this section, unless the agent, employee, officer, or director proves he or she did not know, and in the exercise of reasonable care could not have known of the existence of the fact by reason of which the liability is alleged to exist.
2. Item 17 v. - Choice of forum and Item 17 w. - Choice of law shall comply with § 19-28.1-14 of the Act - Jurisdiction and venue - and be amended to read:

A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.

**RIDER TO  
FSC FRANCHISE CO., LLC  
FRANCHISE AGREEMENT  
FOR USE IN RHODE ISLAND**

**THIS RIDER** (the “Rider”) is effective as of \_\_\_\_\_, 20\_\_ (the “Agreement Date”), and amends the Franchise Agreement dated \_\_\_\_\_, 20\_\_ (the “Agreement”), between **FSC FRANCHISE CO., LLC**, a Delaware limited liability company (“we,” “us,” “our” or “Franchisor”) with its principal office at 5660 W. Cypress Street, Suite A, Tampa, Florida 33607, and \_\_\_\_\_ (“you,” “your” or “Franchisee”), whose mailing address is \_\_\_\_\_.

1. **Precedence and Defined Terms.** This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. **Governing Law.** Any provision in the Franchise Agreement which designates the governing law as that of any state other than the State of Rhode Island is deleted from Franchise Agreements issued in the State of Rhode Island.

3. **Jurisdiction and Venue.** §19-28.1.-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

Intending to be bound, you and we sign and deliver this Rider in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

**US:  
FSC FRANCHISE CO., LLC**

**YOU:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**RIDER TO  
FSC FRANCHISE CO., LLC  
AREA DEVELOPMENT AGREEMENT  
FOR USE IN RHODE ISLAND**

THIS RIDER (the "Rider") is effective as of \_\_\_\_\_, 20\_\_ (the "Agreement Date"), and amends the Area Development Agreement dated \_\_\_\_\_, 20\_\_ (the "Agreement"), between FSC FRANCHISE CO., LLC, a Delaware limited liability company ("we," "us," "our" or "Franchisor") with its principal office at 2 Urban Center, 4890 W. Kennedy Boulevard, Suite 295, Tampa, Florida 33609, and \_\_\_\_\_ ("you," "your" or "Franchisee"), whose mailing address is \_\_\_\_\_.

1. **Precedence And Defined Terms.** This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. **Governing Law.** Any provision in the Area Development Agreement which designates the governing law as that of any state other than the State of Rhode Island is deleted from Area Development Agreements issued in the State of Rhode Island.

3. **Jurisdiction and Venue.** §19-28.1.-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

Intending to be bound, you and we sign and deliver this Rider in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

**US:  
FSC FRANCHISE CO., LLC**

**YOU:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**SOUTH DAKOTA ADDENDUM TO THE  
FSC FRANCHISE CO., LLC  
DISCLOSURE DOCUMENT**

1. The summary statement of provision (q) of Item 17 is deleted in its entirety and the following substituted in its place:

Covenants not to compete upon termination or expiration of a Franchise Agreement are generally unenforceable in the State of South Dakota, except in certain instances as provided by law.

2. Any provision that provides that the parties' waive their right to claim punitive, exemplary, incidental, indirect, special or consequential damages may not be enforceable under South Dakota Law. If any of the provisions in this Disclosure Document, the Franchise Agreement or the Area Development Agreement are inconsistent with this paragraph, the terms of this paragraph will prevail with regard to any franchise sold in South Dakota.

**RIDER TO  
FSC FRANCHISE CO., LLC  
FRANCHISE AGREEMENT  
FOR USE IN SOUTH DAKOTA**

THIS RIDER (the "Rider") is effective as of \_\_\_\_\_, 20\_\_\_\_ (the "Agreement Date"), and amends the Franchise Agreement dated \_\_\_\_\_, 20\_\_\_\_ (the "Agreement"), between FSC FRANCHISE CO., LLC, a Delaware limited liability company ("we," "us," "our" or "Franchisor") with its principal office at 5660 W. Cypress Street, Suite A, Tampa, Florida 33607, and \_\_\_\_\_ ("you," "your" or "Franchisee"), whose mailing address is \_\_\_\_\_.

1. **Precedence And Defined Terms.** This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. **Termination.** The following is added to Section 16:

You will have 30 days written notice with an opportunity to cure prior to termination for the following: breach of the franchise agreement, failure to meeting performance and quality standards and failure to make royalty payments.

3. **Covenants Not to Complete.** Covenants not to compete on termination or expiration of a franchise agreement are generally unenforceable in the state of South Dakota, except in certain instances as provided by law. This statement is given for informational purposes only.

4. **Jurisdiction and Venue.** Any provision which designates jurisdiction or venue or requires you to agree to jurisdiction or venue in a forum outside South Dakota is void with respect to any cause of action which is otherwise enforceable in South Dakota.

Intending to be bound, you and we sign and deliver this Rider in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

**US:  
FSC FRANCHISE CO., LLC**

**YOU:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**RIDER TO  
FSC FRANCHISE CO., LLC  
AREA DEVELOPMENT AGREEMENT  
FOR USE IN SOUTH DAKOTA**

THIS RIDER (the "Rider") is effective as of \_\_\_\_\_, 20\_\_ (the "Agreement Date"), and amends the Area Development Agreement dated \_\_\_\_\_, 20\_\_ (the "Agreement"), between FSC FRANCHISE CO., LLC, a Delaware limited liability company ("we," "us," "our" or "Franchisor") with its principal office at 5660 W. Cypress Street, Suite A, Tampa, Florida 33607, and \_\_\_\_\_ ("you," "your" or "Franchisee"), whose mailing address is \_\_\_\_\_.

1. **Precedence And Defined Terms.** This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. **Termination.** The following is added to Section 10:

You will have 30 days written notice with an opportunity to cure prior to termination for the following: breach of the franchise agreement, failure to meeting performance and quality standards and failure to make royalty payments.

3. **Covenants Not to Complete.** Covenants not to compete on termination or expiration of a franchise agreement are generally unenforceable in the state of South Dakota, except in certain instances as provided by law. This statement is given for informational purposes only.

4. **Jurisdiction and Venue.** Any provision which designates jurisdiction or venue or requires you to agree to jurisdiction or venue in a forum outside South Dakota is void with respect to any cause of action which is otherwise enforceable in South Dakota.

Intending to be bound, you and we sign and deliver this Rider in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

**US:  
FSC FRANCHISE CO., LLC**

**YOU:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**VIRGINIA ADDENDUM TO THE  
FSC FRANCHISE CO., LLC  
DISCLOSURE DOCUMENT**

1. **Item 5 is modified to include the following in the Initial Fee Section:**

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

3. The following statements are added to Item 17.h.

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 do 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.

**RIDER TO  
FSC FRANCHISE CO., LLC  
FRANCHISE AGREEMENT  
FOR USE IN VIRGINIA**

**THIS RIDER** (the “**Rider**”) is effective as of \_\_\_\_\_, 20\_\_\_\_ (the “**Agreement Date**”), and amends the Franchise Agreement dated \_\_\_\_\_, 20\_\_\_\_ (the “**Agreement**”), between **FSC FRANCHISE CO., LLC**, a Delaware limited liability company (“**we**,” “**us**,” “**our**” or “**Franchisor**”) with its principal office at 5660 W. Cypress Street, Suite A, Tampa, Florida 33607, and \_\_\_\_\_ (“**you**,” “**your**” or “**Franchisee**”), whose mailing address is \_\_\_\_\_.

1. **Precedence and Defined Terms.** This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. **Franchise Fee.** The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement. Payment of the Franchise Fee is deferred until we have provided you with training, pre-opening assistance, and you have opened your Family Sports Pub for business.

Intending to be bound, you and we sign and deliver this Rider in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

**US:**  
**FSC FRANCHISE CO., LLC**

**YOU:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_



**RIDER TO  
FSC FRANCHISE CO., LLC  
AREA DEVELOPMENT AGREEMENT  
FOR USE IN VIRGINIA**

THIS RIDER (the "Rider") is effective as of \_\_\_\_\_, 20\_\_ (the "Agreement Date"), and amends the Area Development Agreement dated \_\_\_\_\_, 20\_\_ (the "Agreement"), between FSC FRANCHISE CO., LLC, a Delaware limited liability company ("we," "us," "our" or "Franchisor") with its principal office at 5660 W. Cypress Street, Suite A, Tampa, Florida 33607, and \_\_\_\_\_ ("you," "your" or "Franchisee"), whose mailing address is \_\_\_\_\_.

1. **Precedence and Defined Terms.** This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. **Area Development Fee.** The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement. Payment of the Franchise Fee is deferred until we have provided you with training, pre-opening assistance, and you have opened your Family Sports Pub for business.

Intending to be bound, you and we sign and deliver this Rider in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

**US:  
FSC FRANCHISE CO., LLC**

**YOU:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**WASHINGTON ADDENDUM TO THE  
FSC FRANCHISE CO., LLC  
DISCLOSURE DOCUMENT**

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act (the “Act”), Chapter 19.100 RCW, prevails.

Section RCW 19.100.180 of the Act, may supersede the franchise agreement in your relationship with us, including the area of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with us including the area of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site will either be in the State of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

A release or waiver of rights signed by you will not include rights under the Act except when signed pursuant to a negotiated settlement after the agreement(s) are in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

Transfer fees may be collected to the extent that they reflect our reasonable estimated or actual cost in effectuating transfer.

**WISCONSIN ADDENDUM TO THE  
FSC FRANCHISE CO., LLC  
DISCLOSURE DOCUMENT**

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

1. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF SECURITIES OF THE STATE OF WISCONSIN.

2. The following shall apply to Franchise Agreements and Area Development Agreements in the State of Wisconsin:

a. The Wisconsin Fair Dealership Act, Wisconsin Statutes, Chapter 135 shall apply to and govern the provisions of Franchise Agreements and Area Development Agreements issued in the State of Wisconsin.

b. That Act's requirement, including the requirements that, in certain circumstances, a franchisee receives 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 requirements of Article 16 of the Franchise Agreement and Article 9 of the Area Development Agreement to the extent they may be inconsistent with the Act's requirements.

**ADDENDUM TO FRANCHISE AGREEMENT  
FOR FRANCHISEE OBTAINING SBA ASSISTED FINANCING**

THIS ADDENDUM (the "Addendum") is entered into on \_\_\_\_\_, 20\_\_ (the "Effective Date") between FSC FRANCHISE CO., LLC, a Delaware limited liability company ("we," "us," "our" or "Franchisor") with its principal office at 5660 W. Cypress Street, Suite A, Tampa, Florida 33607, and \_\_\_\_\_, whose principal place of business is \_\_\_\_\_ ("you," "your" or "Franchisee") (collectively the "Parties").

**RECITALS**

WHEREAS, the Parties entered into that certain Franchise Agreement dated \_\_\_\_\_, 20\_\_ (the "Franchise Agreement"), pursuant to which you agreed, among other things, to own and operate a Beef 'O' Brady's® Family Sports Pub (the "Family Sports Pub") at an Approved Location.

WHEREAS, the Franchise Agreement is in full force and effect and, as of the Effective Date of this Addendum, Franchisor has sent no official notice of default to Franchisee under the Franchise Agreement that remains uncured on the date hereof.

WHEREAS, Franchisee has obtained a loan (the "Loan") from a lender in which funding is provided with the assistance of the United States Small Business Administration ("SBA").

WHEREAS, SBA requires the execution of this Addendum as a condition for obtaining the SBA assisted financing.

NOW, THEREFORE in consideration of the promises and mutual covenants contained herein, and for other good and valuable consideration, the receipt, adequacy and sufficiency of which the Parties acknowledge, the Parties agree as follows:

**AGREEMENT**

1. **Recitals.** The above recitals are true and accurate and are incorporated in full herein.
2. **Transfer.** Franchisor's approval of a transfer or assignment pursuant to Section 15 of the Franchise Agreement shall not be unreasonably withheld and shall be approved or disapproved within a reasonable time after written notice of the proposed transfer.
3. **Non-Waiver.** This Addendum does not waive any provision contained in the Franchise Agreement or waive any rights Franchisor has under the Franchise Agreement.
4. **Addendum Termination.** This Addendum automatically terminates on the earliest date on which one of the following occurs: (1) the Franchise Agreement is terminated; (2) the Loan is paid; or (3) SBA no longer has any interest in the SBA financing.

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

US:

YOU:

**FSC FRANCHISE CO., LLC**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT "O" TO THE DISCLOSURE DOCUMENT**

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**FORM OF RELEASE**

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**FORM OF RELEASE**

The following is our current general release form that we expect to include in a release that a franchisee, developer, and/or transferor may sign as part of a renewal, approved transfer or purchase by us of the assets of a franchisee's Family Sports Pub. We may periodically modify the release.

THIS RELEASE is given by \_\_\_\_\_ and their predecessors, agents, affiliates, legal representatives, agents, successors, assigns, heirs, beneficiaries, executors and administrators (collectively, "**we**," "**us**" or "**ours**"), to FSC FRANCHISE CO, LLC and all of its predecessors, affiliates, owners, officers, employees, legal representatives and agents, directors, successors and assigns, and their heirs, beneficiaries, executors and administrators (collectively, "**you**" or "**your**").

Effective on the date of this Release, we forever release and discharge you from any and all claims, causes of action, suits, debts, agreements, promises, demands, liabilities, contractual rights and/or obligations, of whatever nature or kind, in law or in equity, which we now have or ever had against you, including without limitation, anything arising out of that certain Franchise Agreement dated \_\_\_\_\_ (the "**Franchise Agreement**"), the franchise relationship between the parties, and any other relationships between you and us; except your obligations under the \_\_\_\_\_ Agreement dated effective \_\_\_\_\_. This Release is effective for: (a) any and all claims and obligations, including those of which we are not now aware; and (b) all claims we have from anything which has happened up to now; provided, however, that all liabilities arising under Indiana Code Sec. 23-2-2.7, the Maryland Franchise Registration and Disclosure Law and/or the Minnesota Franchise Act are excluded from this release, and that all rights enjoyed by us under the Franchise Agreement and any causes of action arising in our favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder will remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law, Section 687.4 and 687.5 be satisfied. If we are domiciled or have our principal place of business in the State of California, then we hereby expressly waive and relinquish all rights and benefits under Section 1542 of the California Civil Code, which provides:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS/HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM/HER MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

We are bound by this Release. We freely and voluntarily give this Release to you for good and valuable consideration and we acknowledge its receipt and sufficiency.

We represent and warrant to you that we have not assigned or transferred to any other person any claim or right we had or now have relating to or against you.

In this Release, each pronoun includes the singular and plural as the context may require.

This Release is governed by Florida law.

This Release is effective \_\_\_\_\_, notwithstanding the actual date of signatures.

**(Signature Page Follows)**

IN WITNESS WHEREOF, the undersigned execute this Release:

By: \_\_\_\_\_

Its: \_\_\_\_\_  
(Type/Print Name and Title)

Date: \_\_\_\_\_

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_, 20\_\_ , by \_\_\_\_\_  
\_\_\_\_\_, who is personally known to me or has produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
Signature of Notary  
Printed Name of Notary \_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
Serial Number of Notary \_\_\_\_\_

**EXHIBIT "P" TO THE DISCLOSURE DOCUMENT**

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**RECEIPTS**

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## RECEIPT

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

If FSC Franchise Co., LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York, Oklahoma and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan and Washington require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If FSC Franchise Co., LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency listed on Exhibit "H".

The franchisor is FSC Franchise Co., LLC, located at 5660 W. Cypress Street, Suite A, Tampa, Florida 33607. Its telephone number is (813) 226-2333.

Issuance date: April 5, 2012.

Please check the franchise seller who dealt with you. \_\_\_\_ Gene Savage , 5660 W. Cypress Street, Suite A, Tampa, Florida 33607, (813) 226-2333; \_\_\_\_ James Walker, 5660 W. Cypress Street, Suite A, Tampa, Florida 33607, (813) 226-2333.

FSC Franchise Co., LLC authorizes the respective state agencies identified on Exhibit "H" to receive service of process for it in the particular state

I received a disclosure document dated April 5, 2012 that included the following Exhibits:

Exhibit A	Financial Statements
Exhibit B	List of Franchisees
Exhibit C	List of Franchisees Who Have Left the System
Exhibit D	Confidential Operating Manual Table of Contents
Exhibit E	Training Store Waiver and Release
Exhibit F	Form Agreement for Purchase and Form of Maintenance Agreement
Exhibit G	List of Area Representatives
Exhibit H	List of State Agencies/Agents for Service of Process
Exhibit I	Form of Area Development Agreement
Exhibit J	Form of Franchise Agreement
Exhibit K	Form of Agreement to Lease
Exhibit L	Form of Lease Agreement
Exhibit M.	Franchisee Questionnaire
Exhibit N.	State Specific and other Addenda and Riders
Exhibit O	Form of Release
Exhibit P	Receipts

\_\_\_\_\_  
Date

\_\_\_\_\_  
Prospective Franchisee

Please sign this copy of the Receipt, date your signature, and return it to: FSC Franchise Co., LLC, at 5660 W. Cypress Street, Suite A, Tampa, Florida 33607

## RECEIPT

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

If FSC Franchise Co., LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York, Oklahoma and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan and Washington require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If FSC Franchise Co., LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency listed on Exhibit "H".

The franchisor is FSC Franchise Co., LLC, located at 5660 W. Cypress Street, Suite A, Tampa, Florida 33607. Its telephone number is (813) 226-2333.

Issuance date: April 5, 2012.

Please check the franchise seller who dealt with you. \_\_\_ Gene Savage, 5660 W. Cypress Street, Suite A, Tampa, Florida 33607, (813) 226-2333; \_\_\_ James Walker, 5660 W. Cypress Street, Suite A, Tampa, Florida 33607, (813) 226-2333

FSC Franchise Co., LLC authorizes the respective state agencies identified on Exhibit "H" to receive service of process for it in the particular state

I received a disclosure document dated April 5, 2012 that included the following Exhibits:

Exhibit A	Financial Statements
Exhibit B	List of Franchisees
Exhibit C	List of Franchisees Who Have Left the System
Exhibit D	Confidential Operating Manual Table of Contents
Exhibit E	Training Store Waiver and Release
Exhibit F	Form Agreement for Purchase and Form of Maintenance Agreement
Exhibit G	List of Area Representatives
Exhibit H	List of State Agencies/Agents for Service of Process
Exhibit I	Form of Area Development Agreement
Exhibit J	Form of Franchise Agreement
Exhibit K	Form of Agreement to Lease
Exhibit L	Form of Lease Agreement
Exhibit M.	Franchisee Questionnaire
Exhibit N.	State Specific and other Addenda and Riders
Exhibit O	Form of Release
Exhibit P	Receipts

\_\_\_\_\_  
Date

\_\_\_\_\_  
Prospective Franchisee

Keep this copy for your records. This disclosure document may be available in several formats including on paper, on a CD, in pdf format or on our website: [www.beefobradysfranchise.com](http://www.beefobradysfranchise.com)