

FRANCHISE DISCLOSURE DOCUMENT

BAM FRANCHISING, INC.
4844 North 300 West, Suite 202 Provo, UT 84604

www.BricksandMinifigs.com Franchise@BricksandMinifigs.com
(888) 534-6776



The Franchise offered is for the operation of a retail store that buys and sells new and used LEGO® building bricks, minifigures and accessories to the general public under the name “**Bricks and Minifigs®**”.

The total investment necessary to begin operation of a Bricks & MinifigsTM franchise is ~~\$147,500~~241,000 to ~~\$304,100~~570,000. This includes \$40,000 that must be paid to the Franchisor or its affiliate(s). The total investment necessary to begin operation of a Bricks & MinifigsTM ~~territory for~~TM franchise under an area development agreement is ~~\$81,620~~226,000 to ~~\$223,075~~555,000. This includes a Development Fee of ~~\$7,500 to \$15,000~~25,000 per location to be developed that must be paid to the Franchisor or its affiliate(s). A minimum of two outlets are required under the area development option.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read the 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 any affiliate in connection with the proposed franchise sale. **Note, however, no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact: Ammon McNeff, President, BAM Franchising, Inc., 4844 North 300 West, Suite 202, Provo, Utah 84604, (888) 534-6776.

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's Guide to

Buying a Franchise,” which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: March 31, ~~2024~~

How to Use This Franchise Disclosure Document

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

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

ITEM 1

~~ITEM 1~~

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS & AFFILIATES

The Franchisor is BAM Franchising, Inc., doing business as “**Bricks & Minifigs®**”. For ease of reference, BAM Franchising, Inc. is referred to as “we”, “us”, and “our” in this Disclosure Document. We refer to the person or entity who buys the franchise as “you” or “your” in this Disclosure Document. If you are a Limited Liability Company or Corporation, certain provisions of the Franchise Agreement also apply to your members or owners and will be noted.

We are a Delaware corporation, formed October 11, 2023. We were previously an Oregon corporation, formed on April 29, 2011. On April 18, 2024, we completed a merger in Delaware with the Delaware corporation being the surviving entity. We do business under the same name as our corporate name “**BAM Franchising, Inc.**” and may also use the names “**Bricks & Minifigs**”, “**Bricks and Minifigs**” or “**Bricks and Figs**”. Our principal business address is 4844 North 300 West, Suite 202, Provo, Utah 84604. We operate (through an affiliate disclosed below) and sell franchises for the operation of businesses that operate in a uniform system and in accordance with the business format created and developed by “**Bricks and Minifigs®**” (the ‘Business’ or ‘Franchise’). We offer a Franchise Agreement for the development and operation of a re-sale store specializing in LEGO® brand products at a specified location that is within a ~~protected~~assigned territory. We have offered franchises for this business since 2011. We do not have any other business activities. We have not conducted a business of the type to be operated by our franchisees, but our former affiliate, Cerebral Plastics Inc., an Oregon corporation, operated a Bricks and Minifigs business in Canby, Oregon from 2010 to 2017. Our former affiliate transferred the franchise to a franchisee in 2017. We have never offered franchises in any other line of business. Our agents for service of process are disclosed in Exhibit C.

Parents, Predecessors and Affiliates

We have no parents, ~~or~~or predecessors that are required to be disclosed in this Disclosure Document. We have not had any predecessors during the ten-year period immediately before the close of our most recent fiscal year.

We have one affiliate, Bricks by the Box, LLC, a Utah limited liability company that was formed on June 6, 2023. Its principal business address is 4844 North 300 West, Suite 202, Provo, Utah 84604. Bricks by the Box, LLC is a LEGO®-themed subscription box reseller and fulfillment company.

Our Business and the Franchises Offered in this State

Bricks & Minifigs®

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LEGO® is a registered trademark of the LEGO Group of companies which does not sponsor, authorize or endorse the Bricks & Minifigs® franchise 1+
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The Bricks & Minifigs® Business has been developed to offer a complete solution for any group or person who is seeking to sell, trade or purchase new and/or used LEGO® building bricks, mini figures and accessories. This is a retail store typically located in shopping malls, strip centers or free standing structures (all of which must be approved by us) featuring high quality LEGO® products and related merchandise. A Bricks & Minifigs® franchise will provide programs permitting customers to sell and/or trade their used LEGO® bricks, LEGO® mini figures and accessories; offer for sale a wide selection of new and used LEGO® bricks, LEGO® mini figures and accessories sold in bulk or full play sets; and offer for sale apparel and other merchandise approved by us. Subject to our standards, specifications, and approval (if we so require), you may also offer the following products and services: online LEGO® sales, LEGO® memorabilia, LEGO® posters, approved non-LEGO® toys, ~~consignment services~~, approved themed entertainment services (such as birthday parties, holiday parties or school events), approved off-site events, after school project- based programs teaching the principles of building with LEGO® bricks to children, and other toy- related products and services approved by us.

Competition includes LEGO® branded retail stores, discount retail stores, specialty retail stores, department stores and consignment stores operated by national chains, franchised operations and independently owned retailers and online stores offering similar products to those found in a Bricks & Minifigs® business. Products will typically be sold to families with children, hobbyists and, except that purchases may increase during the period from Thanksgiving to Christmas, the LEGO® re-sale industry is highly competitive throughout the United States as the market is continuously changing and evolving.

The Bricks & Minifigs® business is characterized by a uniform business format that is simple and efficient with distinctive LEGO® products, accessories and inventory management systems; merchandising, sales techniques and methods; a unique and recognizable exterior and interior layout with décor, color scheme, displays and furnishings; a regional Franchise web page housed within the national website; customer service guidelines, product and vendor specifications; guidelines for hiring and retaining staff, operational procedures for a Bricks & Minifigs® business; procedures for safety and quality control; training and ongoing operational assistance; marketing, advertising and promotional programs; all of which may be changed, improved, and further developed by us periodically (the “**System**”). The System is identified by means of certain trade names, service marks, trademarks, slogans, logos, emblems, and indicia of origin, including, but not limited to, the mark with design “Bricks and Minifigs”.

In addition to a single-unit franchise, we also offer the opportunity to purchase multiple franchises that are to be developed pursuant to a development schedule as contained in the Area Development Agreement (the “**ADA**”) attached as Exhibit B to this Disclosure Document. For each unit franchise under the development schedule, franchisee will be required to sign the then-current form of franchise agreement which may differ from the form of franchise agreement included in this Disclosure Document.

Laws and Regulations

Bricks & Minifigs®

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LEGO® is a registered trademark of the LEGO Group of companies which does not sponsor, authorize or endorse the Bricks & Minifigs® franchise 22
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Generally, there are no ~~governmental~~government regulations that apply specifically to operating a re-sale store specializing in LEGO® brand products. You must comply with all local, state and federal laws that apply to your business and to the public use generally. Those laws include health sanitation, smoking, Equal Employment Opportunity Commission (“EEOC”), Occupational Safety and Health Administration, Federal Trade Commission (“FTC”), consumer protection laws, second hand or re-sale store laws, pricing laws and employment laws. Such employment laws include regulations concerning wage rates, mandated employee benefits, employment taxes, worker safety, unemployment compensation, workers’ compensation, teenage labor practices, disabled employees and discrimination in employment practices. You must pay your employees properly. You will be subject to the Americans with Disabilities Act which prohibits practices that discriminate against physically and mentally challenged individuals regarding access to public accommodations and employment opportunities. There may be other laws and codes applicable to your business and we urge you to make further inquiries about those laws and codes.

You should investigate whether there are any state or local regulations or requirements that may apply in the geographic area in which you intend to conduct business. You should consider both their effect on your business and the cost of compliance. It is your sole responsibility to investigate, satisfy and remain in compliance with all local, state and federal laws, since they vary from place to place and can change over time. We recommend that you consult with your attorney for an understanding of all the laws applicable to your specific Bricks & Minifigs~~TM~~TM Franchise.

~~ITEM 2~~ ITEM 2 BUSINESS EXPERIENCE

Ammon McNeff, Chief Executive Officer & President

Ammon has been our President since April 2018 and Chief Executive Officer since October 2021. He has served as President for Legally Mine, LLC in Orem, Utah since January 2011 until 2020. He has been co-owner of Kragle, LLC, our franchisee in Orem, Utah, since June 2017.

Matthew McNeff, Chief Operations Officer

Matthew McNeff has been our Treasurer since April 2018. He has served as Vice-President of Marketing for Legally Mine, LLC in Orem, Utah since January 2011 until 2020. He has been co-owner of Kragle, LLC, our franchisee in Orem, Utah, since June 2017.

~~Adam Brimhall, New Unit Onboarding Manager~~

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~~Adam Brimhall has been our New Unit Onboarding Manager since June 2022. Prior to this position, Adam was store manager for the Bricks & Minifigs store in Boise, Idaho since 2016. Adam also worked for Get Out Local, in Boise, Idaho as a copy writer from 2020 to 2022.~~

Reed Brimhall, Chief Financial Officer

Reed has been ~~our~~the Chief Financial Officer of the Franchisor and the Franchisor's Parent since June 2016. He has served as Senior Executive Vice President and Chief Financial Officer for ~~Sentsy~~Scentsy, Inc. in Meridian, Idaho, since January 2015.

Darin Hicks, Chief Development Officer

Darin Hicks has been our Fractional Chief Development Officer since January 2021. He also currently serves or has served as Chief Development Officer for several franchise brands, including the Kid-to-Kid and Uptown, Cheapskate brands, Key Renter, ARC Point Labs, and CityWide, all of which are located in the Salt Lake City, Utah area. Darin Hicks has been a Board member since June 2024 and has served in a fractional role as the Chief Development Officer since January 2021. Additionally, he has been the President of Crest Consulting, LLC in North Salt Lake, Utah, since April 2020. Previously, Darin served as the Chief Operating Officer of City Wide Franchise in Lenexa, Kansas, from November 2015 to April 2020.

Mike Wu, Chief Technology Officer

Mike Wu has been our Chief Technology Officer since October 2023. He served as founding CTO of VSCO (a popular photo editing app), in Oakland, California, from 2011 to 2018. From 2018 to 2020 Mike worked as Head of Software Engineering, a software Engineer and consultant for the software companies: Seesaw Learning in San Francisco, California, Skillist in New York, New York, and Numberball in Mountain House, California. In 2020 Mike became a software engineer at Handshake, an educational software company in San Francisco, California, and continued in that role through 2023 when he opened his Bricks & Minifigs franchise unit in San Ramon, California, and later that year accepted the role of CTO for BAM Franchising, Inc.

ITEM 3 **ITEM 3 LITIGATION**

Other than these actions, no litigation is required to be disclosed in this Item.

On October 28, 2019, In Re: Franchise No Poaching Provisions (BAM Franchising, Inc.), No. 19- 2-28285- 1 SEA, State of Washington, King County Superior Court, Franchisor entered into an Assurance of Discontinuance (“AOD”) with the Washington State Attorney General’s Office. BAM Franchising agreed to no longer include no-poach provisions in its future franchise agreements and to not enforce no-poach provisions in its existing agreements. BAM further

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agreed to notify all its franchisees in Washington of the AOD and to notify the Attorney General's Office if it learns of any effort by a franchisee in Washington to enforce any existing no-poach provisions. BAM had language in its franchise agreements that restricted a franchisee's ability to solicit or hire workers from another BAM franchisee. Washington asserted that this constituted a "contract, combination, or conspiracy in restraint of trade in violation of the Consumer Protection Act, RCW 19.86.030." BAM expressly denied that the provision in its franchise agreement was a violation of the Consumer Protection Act, RCW 19.86.030 and expressly denied it had engaged in conduct that constitutes a contract, combination, or conspiracy in restraint of trade. The Assurance states: "BAM Franchising, Inc. enters into this AOD to avoid protracted and expensive litigation. Pursuant to RCW neither AOD nor its terms shall be construed as an admission of law, fact, liability, misconduct, or wrongdoing on the part of BAM Franchising, Inc.

~~ITEM 4~~
ITEM 4 BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

~~ITEM 5~~
ITEM 5 INITIAL FEES

The Initial Franchise Fee for a single area Franchise (the "**Initial Franchise Fee**") is \$40,000. The Initial Franchise Fee is payment, in part, for expenses incurred by us in furnishing assistance and services to you as set forth in the Franchise Agreement and for costs incurred by us, including general sales and marketing expenses, training, legal, accounting and other professional fees.

Franchisees may be required to purchase certain inventory and fixtures directly from the Franchisor or from required or approved vendors.

Currently, the Initial Franchise Fee for the purchase of an additional franchise is ~~\$15,000~~ \$25,000.

The initial Franchise Fee is payable in full when you sign the Franchise Agreement, unless otherwise provided in the Area Development Agreement. The initial Franchise Fee is deemed fully earned and is non-refundable except as follows: If during the initial training program, we believe that you are not qualified to operate a Bricks & MinifigsTM Franchise, then we will terminate your Franchise and refund your franchise fee minus our demonstrated expenses without interest.

If you obtain a franchise by purchasing the business of one of our existing franchisees, you will not pay the Initial Franchise Fee, but you or the existing franchisee must pay us our then- current transfer fee (currently ~~\$15,000~~). ~~The~~ \$30,000 (the "**Transfer Fee**"). In addition to the

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Transfer Fee, you must also pay a mandatory training fee of \$10,000 for our initial training program ~~is included in that fee. In the event that you sell your franchised operation, a separate transfer fee may apply. Payment of the transfer fee.~~ The Transfer Fee covers reasonable legal, accounting, credit check, and investigation expenses that result from the transfer ~~and relieves you of your obligation to pay the Initial Franchise Fee.~~

Area Development Agreement

~~Although our~~ Our franchises are site-specific and we do not ~~automatically or by default, generally,~~ grant territories for development, ~~we may in.~~ In some special instances we may enter into an Area Development Agreement ~~with a qualified franchisee who wishes to develop multiple businesses within a certain length of time after signing a Franchise Agreement~~ for the development of multiple Businesses according to a set development schedule. A minimum of two outlets are required under the area development option.

Under the Area Development Agreement (the “ADA”) you must pay, when you sign the ADA, a development fee of ~~seven thousand five hundred~~ Twenty-Five Thousand dollars (~~\$7,500~~ 25,000) (the “**Development Fee**”) for each Bricks & Minifigs Business to be opened under the Development Schedule. The number of Bricks & Minifigs Businesses that you may develop under a particular ADA is determined by mutual agreement. The number of Bricks & Minifigs Businesses will vary depending upon a variety of factors, including: (1) existing population and anticipated population growth within the Development Area; (2) competition within the Development Area; (3) the availability of acceptable locations; (4) the number of Bricks & Minifigs Businesses we estimate can be developed within the Development Area; and (5) the number of then-operating Bricks & Minifigs Businesses within the Development Area.

The ADA and the first Franchise Agreement are signed simultaneously, and you must pay the Development Fee and the Franchise Fee for the first location at that time. ~~We will apply seven thousand five hundred dollars (\$7,500) of the previously paid Development Fee under the ADA against the Franchise Fee of \$15,000 payable under each subsequent Franchise Agreement entered into under the terms of the ADA. However, no~~ No portion of the Development Fee is refundable under any circumstances.

ITEM 6

ITEM 6 OTHER ITEMS

Type of Fee	Amount	Due Date	Remarks
Royalties	6% of monthly Gross Revenue or a flat \$500 per calendar month (whichever is greater) starting on the opening date of your Business.	Due by the 10th day of each month for the previous month.	See Note 1:
National Marketing Brand Fund (“NMF”)	1% of monthly Revenues starting the first full calendar month after the opening date of your Business.	Due by the 10th day of each month for the previous month.	See Note 2: & Item 11
Type of Fee	Amount	Due Date	Remarks
Local Marketing	You must spend at least 3% of monthly Gross Revenue for local advertising and promotion of your Store.	In conjunction with the marketing and advertising of your Store.	See Note 1:
<u>Technology Fund</u>	<u>Upon instituting, up to 1% of Gross Revenue for technological innovation and development</u>	<u>Upon instituting, Due by the 10th day of each month for the pervious month.</u>	<u>See Note 1 & Item 11. We do not currently have a Technology Fund, but may institute in our discretion</u>
<u>POS, Software, email</u>	<u>\$200 per month</u>	<u>Due by the 10th day of each month</u>	<u>Note 7</u>
Grand Opening Marketing	You must spend at least \$5,000 for Grand Opening Marketing.	In conjunction with the opening of your Store and as we may specify in our Operations Manual	
Interest and Late Charges	1.5% per month, plus 10% of the amount due	On due date of fees	See Note 4: 3
Delinquent payments; Insufficient funds	\$50 for each delinquent payment and \$30 for each rejection of an	As accrued	See Note 4: 3

	ACH withdrawal attempt due to insufficient funds		
Additional Training	Then-current fees, currently \$300 per person per day or costs of third party charges to be determined at our sole discretion.	At time training is scheduled and/or additional assistance is requested by you	While the Initial Franchise Fee includes the cost for our initial training program, the Initial Franchise Fee only covers training for up to three individuals. See <u>Item 11</u>
Transfer Fee	A flat \$15,000 <u>30,000</u> fee for each Franchise. If transferee came from our lead database, you may be required to pay the then- current referral fee to us plus any costs associated with applicable broker fees.	At the time the transferee signs the Franchise Agreement in effect for transfer or sale	Payable to us when the Franchise Agreement or a material portion of the assets in the business is transferred
Type of Fee	Amount	Due Date	Remarks
Costs and Attorney's Fees	Will vary under circumstances	As Incurred <u>Actual cost</u>	Payable as incurred by us in any action for the enforcement of any item of the Franchise Agreement
Audit Expenses	Cost of Audit Fees plus interest @ 18% per year up to the maximum interest rate allowed by law.	Ten days after receipt of audit report	Payable only if you understate Revenues by 2% or more. We expect the cost to be between \$2,500- \$5,000 unless your books are not well kept.
Indemnification	Will vary under circumstances	On Demand	As Incurred; See Note 5:- <u>4</u>
Association Dues and Membership Fees	Dues and membership fees estimated to be \$500-\$1,000 per year	As Incurred	See Note 6:- <u>5</u>

	for professional organizations.		
Product and Vendor Assessment Fee	\$100 per product or vendor and up \$300 for up to 20 products under the same vendor or supplier.	On demand	See Note 7 :6
Renewal Fee	A flat \$5,000 fee for each Franchise	Before renewal	For the same protected area
Maintain and Renovate Business	\$0- \$2,000 estimated cost per year or up to \$6,000 every third year to maintain and renovate your Business as necessary.	As Incurred	We may require you to renovate your Business once every three years. Payable to third parties.
Type of Fee	Amount	Due Date	Remarks
Conference Fee	Conference fee, travel, transportation, lodging, meals and incidental expenses in addition to compensation of the people you send to any conferences will vary under circumstances. There will be a registration fee for conferences not to exceed \$500 per person although we will work in good faith to keep the cost so it does not exceed our cost.	As Incurred	As Incurred and Payable to Third Parties.
Continuing Education/ <u>Training</u>	Will vary under circumstances. Continuing Education is currently \$300 per person per day subject to the current per diem fee plus our <u>travel and administrative</u>	As Incurred <u>Actual Cost</u>	The location for the Continuing Education will be at our headquarters although we reserve the right to provide them over the internet or phone. There may normally be

	expenses, to be determined at our sole reasonable discretion. There will be a registration fee for conferences.		an annual conference for all franchisees and other conferences as needed.
<u>CPA Fee</u>	<u>Will vary depending on circumstances and which of the required vendors are selected.</u>	<u>Actual Cost</u>	<u>Payable to the required vendor for service rendered.</u>
<u>Transferee Training/Onboarding Fee</u>	<u>A flat \$10,000 fee for each person in a transfer transaction.</u>	<u>At the time the transferee signs the Franchise Agreement</u>	<u>This fee covers the cost of initial training, operation support, and integration into our System.</u>

Except as stated above, you pay all fees to us. All fees are non-refundable and are uniformly imposed unless otherwise provided in this Item. ~~We permit renewing~~ Renewing franchisees ~~to keep the same royalty fee percentages and minimums when they renew, but we reserve the right to change this practice at any time by requiring renewing franchisees~~ are required to pay the then-current royalty fee percentages and minimums.

~~**Note 1:**~~ **Note 1:** Gross Revenue is defined in the Franchise Agreement as the gross amount, in money or other forms of consideration that you earn or receive from any source~~-~~, related to, or in connection with, the operation of your franchised business or with this franchise, from all transactions in store, online or any other market place.

Gross Revenue also includes fair market value for any service or product you receive in barter or exchange for your services or products and all insurance proceeds that you receive for the loss of the Business due to a casualty to or similar event at the Business. We exclude only gratuities paid by customers to employees of the Business, sales tax receipts that you must by law collect or pay, customer discounts, and any customer refunds of previous payments you actually make.

The royalty obligations begin immediately after the opening date of your store for business then continues for the term of your franchise. The royalty is due and payable monthly on the 10th day of each month ~~but is to be paid to us in the manner in which specify~~. The royalty rate is the greater of 6% of Revenues or a flat \$500 per calendar month for the entire term of your Franchise Agreement. During the first partial month during which you operate your Store, the percentage Royalty Fee shall apply, but the minimum Royalty Fee shall not apply. If your Franchise Agreement is terminated, you may be required to continue such royalty payments for the term of your Franchise Agreement.

Royalty fees shall be payable by direct deposit from your account to our account by electronic funds transfer or other method we determine. We reserve the right to change the time and manner of payment for the Royalty Fee upon written notice to you.

If you purchase a franchise from an existing franchisee, ~~then~~ you will be required to sign our then- current Franchise Agreement and pay the ~~Royalty Fee provided in the selling franchisee's franchise agreement, although you will sign a new Franchise Agreement that may contain other materially different terms and conditions. We reserve the right to change this practice at any time by requiring purchasers of existing franchises to pay our then current royalty fee percentages and minimums~~ royalty fees in that Franchise Agreement, regardless of the fees paid by the previous owner.

~~Note 2:~~ Note 2: The ~~System Advertising Fee~~ Brand Fund contribution is collected by us, and all ~~System Advertising Fees~~ contributions are non-refundable. You must pay the ~~System Advertising~~ Brand Fund contribution at the same time and under the same terms as the royalty described above.

~~Note 3:~~ We do not have any regional advertising cooperatives at this time, and therefore company owned outlets do not have controlling voting power over any regional advertising cooperatives.

~~Note 4:~~ Note 3: Interest and late charges begin to accrue from the due date of payment. You must also pay any damages, expenses, collection costs and reasonable attorney fees we incur when you do not make the required payments. Interest and late charges will not exceed limits imposed by applicable law.

~~Note 5:~~ Note 4: You must protect, defend, indemnify and hold us harmless against any claims, lawsuits or losses arising out of your operation of the franchised business. If you default under the agreement and we engage an attorney for collection or enforcement, you must pay all our damages and costs to the extent permitted by law (Franchise Agreement Section 16).

~~Note 6:~~ Note 5: We may require or recommend that you ~~to~~ join and participate in various industry specific local or national associations. The cost of these organizations will vary depending on their membership requirements (Franchise Agreement Section 1016). Whether or not membership dues are refundable depends on the professional organization. ~~Due~~ Dues for membership in a professional organization are normally payable to that professional organization. ~~Due~~ Dues for membership in a professional organization may or may not be uniformly imposed depending on the professional organization.

~~Note 7:~~ Note 6: You will be required to obtain our written approval for any product, vendor and/or supplier you wish to use in the operation of your Business that is not on our pre-approved list (as described in Item 8) and you will be responsible for paying us an assessment fee. This fee is \$100 for any single non-LEGO® or LEGO® compatible product, vendor and/or supplier you wish to sell, offer, use and/or substitute in your Business.

We may waive these fees if the products, vendors and/or suppliers you select meet our requirements and make it on our approved list of products, vendors and/or suppliers for all Franchise locations.

Note 7: These fees include: (1) Two Point of Sales station subscriptions; (2) Two email accounts, store website; (3) Franchise-wide messaging platform (Slack); (4) Retail market intelligence tool that tracks shopper movement and behavior; and (5) Patron – A proprietary application to help manage buys/trades and back office operations.

ITEM 7
~~ITEM 7~~

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee	\$40,000	\$40,000	Cash, Certified Check or Wire Transfer	At signing of the Franchise Agreement	Franchisor
Computers, Software POS System and Office Supplies	\$2,500 <u>\$4,000</u>	\$4,500 <u>\$12,000</u>	As Incurred	Before Opening	Vendors; See Note 6 z
Furniture and Fixtures	\$11,500 <u>\$15,000</u>	\$20,000 <u>\$35,000</u>	As Incurred	Before Opening	Vendors; See Note 1 z
Real Estate	\$4,000 <u>\$5,000</u>	\$13,000 <u>\$18,000</u>	As Incurred	Before Opening	Landlord; See Note 7 z
Leasehold Improvements	\$10,000 <u>\$50,000</u>	\$40,000 <u>\$120,000</u>	As Incurred	Before Opening	Landlord; See Note 2 z
Utility Deposit	\$500	\$1,200 <u>\$5,000</u>	Costs will vary due to policies of local utilities and this estimate includes a utility deposit.	Before Opening	Local Utility Suppliers
Inventory	\$30,000 <u>\$40,000</u>	\$70,000 <u>\$100,000</u>	Estimates for a startup	Before opening as	Payable to us or third

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	<u>000</u>	<u>,000</u>	inventory of products and supplies necessary for the operation of the Business.	incurred over the course of the first month of operation	parties; <u>Vendors;</u> See Note 3 ;
Uniforms	\$400 <u>\$500</u>	\$700 <u>\$2,000</u>	Estimate varies depending upon number of staff.	Before Opening	Vendors
Signage	\$6,000 <u>\$10,000</u>	\$14,000 <u>\$25,000</u>	Estimated cost for the delivery and installation of exterior and interior signage. We specify and provide you with the guidelines in the Operations Manual. Signage expenses are not refundable.	Before Opening	Vendors
Grand Opening Marketing	\$5,000	\$7,500 <u>\$15,000</u>	Marketing will vary depending on several factors including your business plan, growth rate, cost of media in your area and ability to attract customers. Includes minimum amount of \$5,000 for grand opening expenses in conjunction with the opening of your Store and as we may specify in our Operations Manual.	As Incurred	Local Vendors
Staffing (First 3 Months)	\$8,000 <u>\$20,000</u>	\$22,000 <u>\$40,000</u>	As Incurred	As Incurred	Salaries and Expenses; See Note 8 ;
Insurance (12 Months)	\$2,500	\$5,000 <u>\$8,000</u>	As Incurred	Before Opening and As Incurred	Payable to third parties; See Note 4 ;
Travel, Lodging and Meals for Initial Training Program	\$900 <u>\$1,500</u>	\$3,000 <u>\$5,000</u>	As Incurred	As Incurred During Training	Vendors; See <u>Item 11</u>
Business Licenses, Permits and Professional Legal and Accounting Fees	\$1,200 <u>\$2,000</u>	\$3,200 <u>\$10,000</u>	As Incurred	Before Opening	Appropriate licensing authorities and Third Parties
Additional Funds - 3 Months	\$25,000 <u>\$45,000</u>	\$60,000 <u>\$135,000</u>	As Incurred	As Incurred	See Note 5 ;
Total	\$147,500 <u>\$241,000</u>	\$304,100 <u>\$570,000</u>			

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~~Note 1:~~ Note 1: This is an estimate for the items we would expect you to need for fixtures, desks, chairs, shelving units for merchandise, display cases, cabinets, counters, storage racks, tables and other furniture necessary for the operation of your business. Actual furniture and fixture costs may vary due to square footage. If applicable, you must also pay state and local sales tax on purchases of furnishings and fixtures. The sales taxes may range from 3% to 10% of the purchase price and are not included in these estimates. Expenses for the furniture and fixtures may or may not be refundable depending on the terms of the invoice or the purchase agreement.

~~Note 2:~~ Note 2: We advise you to find a space needing minimal leasehold improvements or fixtures. In most cases you will need to alter the interior of your Business before you open for operation. The costs will vary widely and may be significantly higher than what is projected in the table above depending on such factors as property location, the condition of the property and the extent of alterations required for the property. These sums do not include any sums for the purchase of real property, as we do not expect that you will buy real property. A typical leased location is a retail space in an outlet center, shopping mall or a non-traditional retail space and the typical franchised business has approximately 1,000-3,000 square feet of space. You may be able to reduce this expense if you are able to occupy a space in an existing location that compliments another business. The space must be ~~an~~-enclosed and separate from other businesses with its own locking door. Whether or not any build out expenses are refundable ~~depend~~depends on the terms and conditions of your contracts with construction and mechanical contractors, as well as your lease agreement (Franchise Agreement Section 4). Lease payments for the periods of time that you occupy your premises are not refundable. In the event you leave your leased premises before the termination of your lease, you may owe the landlord payment for the entire lease term depending on the terms and conditions of your lease.

~~Note 3:~~ Note 3: You must purchase products and supplies for the general operation of the franchised business as specified in the Operations Manual. You must purchase only approved products and supplies, and you must purchase products that meet our specifications, which may change from time to time. The types of products and supplies includes, but is not limited to, the following: New LEGO® kits, new and used LEGO® bricks and mini-figures in bulk, LEGO® posters and other miscellaneous products or supplies as specified by us. Such items may be purchased through us, our affiliates or approved vendors and/or suppliers locally and/or nationally and may not be refundable depending on the terms of the invoice or purchase agreement (Franchise Agreement Sections 4 and 8).

~~Note 4:~~ Note 4: This estimated amount represents twelve months of pre-paid insurance premiums that does not take into account workers' compensation insurance which may vary greatly by state, payroll and classification. You must obtain and keep general comprehensive liability insurance with a minimum policy limit of \$1,000,000 per occurrence and \$2,000,000 aggregate or an amount we reasonably specify. You are also required to obtain All Risk property insurance that covers the assets of the Business and Business Interruption Insurance (Franchise Agreement Section 8).

You may need other insurance such as tenant's liability, statutory workers' compensation insurance (if applicable) and employer's liability insurance with minimum policy limits of \$1,000,000 or an amount we reasonably specify. You may need automobile liability insurance, product liability insurance (covers you for damages that result in injury from products that you distribute), professional liability insurance (covers you for damages that you create that do not result in property or bodily injury) and employee dishonesty insurance are optional however we may require you to obtain this coverage in the future with liability limits of amounts we may reasonably specify. We may change these insurance requirements on reasonable notice to you. There are no other insurance requirements. Whether or not any insurance premiums are refundable depend on the terms and conditions of your insurance policies.

~~Note 5:~~ Note 5: Competitive conditions described in Item 1 will affect these costs. Estimate includes minimum working capital for the startup of your business. This also includes estimates of miscellaneous startup costs such as: rent for an additional two months, purchasing additional inventory, workman's compensation insurance payments, tax deposits, prepaid expenses, additional permits, legal fees, accounting fees and other miscellaneous costs, and additional training (if applicable). When preparing these figures, we considered our principals' combined expertise and experience operating businesses similar to the franchise we offer by this disclosure document.

~~Note 6:~~ Note 6: These estimated amounts include computers, software, printers, POS system, cash register, high- speed internet connection modems and routers, telephones with an answering, camera and security system, containers, packaging materials and general office supplies.

~~Note 7:~~ Note 7: Estimated expenses for your business location based on leasing 1,000 to 3,000 square foot facility. This estimate includes a security deposit.

~~Note 8:~~ Note 8: You may need to hire part-time sales staff. This is an estimate for the first three months of operation.

Total Estimated Initial Investment. We relied on our principals' combined expertise when preparing these figures. The actual amount of funds you will need depends on a variety of factors, including the size of your store, the location of your store, the time of year when you start your business, the amount of inventory you purchase, implementation of a marketing plan, your own management skill, economic conditions, competition in your area and other factors. The estimate of initial investment funds is based on an owner- operated business or incorporating Franchise operations to an existing complimentary business and does not include salaries or benefits for full- time employees. As your Business grows, you may choose to hire employees to carry out support service tasks.

These figures are just estimates, and we cannot guarantee that you will not have higher costs. Competitive conditions described in Item 1 will affect these costs. This estimate of startup costs is calculated for a period of three months, with additional operating capital to be available as may be needed during the initial phase. These costs do not include your website hosting, maintenance fees or royalties which begin the first day the Franchise Agreement is effective after the initial training is completed. These costs should be included in your projections of overall

operations costs beginning with your first month of operation. We acknowledge that you may choose to invest additional funds into your business during the first three months of operation, and sometimes longer, but we cannot estimate or promise when, or whether, you will achieve positive cash flow or profits. You should review the figures carefully with a business advisor and identify your individual expenses along with cash flow projections before making any decision to buy the franchise.

We do not offer financing, directly or indirectly, for any part of the initial investment for a Franchise. The availability and terms of third-party financing will depend on factors such as the availability of financing generally, your creditworthiness, collateral you may have, and the lending policies of financial institutions. The estimate does not include any finance charges, interest, or debt service obligation, or your living expenses. You should have sufficient capital or other means to pay for your living expenses for at least six months of operation.

The initial Franchise Fee is not refundable except as follows: If during the initial training program, we believe that you are not qualified to operate a Bricks & MinifigsTM Franchise, then we will terminate your Franchise and refund your Initial Franchise Fee minus our demonstrated expenses without interest. Except as provided in this Item, any other fees paid to us are not refundable. Amounts paid to any third parties may be refundable, depending upon the contracts between them and you.

YOUR ESTIMATED SINGLE UNIT INVESTMENT FOR AREA DEVELOPMENT

*A minimum of two outlets are required under the area development option.

Type of Expenditure	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is Made
Additional Franchise Unit Fee	\$7,500 ^{\$2} <u>5,000</u>	\$15,000 ^{\$2} <u>5,000</u>	Cash, Certified Check or Wire Transfer	At signing of the Franchise Agreement	Franchisor; See <u>Note 9</u>
Computers, Software POS System and Office Supplies	\$3,200 ^{\$4,} <u>000</u>	\$6,500 ^{\$12} <u>,000</u>	As Incurred	Before Opening	Vendors; See <u>Note 6</u>
Furniture and Fixtures	\$16,500 ^{\$} <u>15,000</u>	\$41,375 ^{\$3} <u>5,000</u>	As Incurred	Before Opening	Vendors; See <u>Note 1</u>
Real Estate	\$4,500 ^{\$5,} <u>000</u>	\$13,000 ^{\$1} <u>8,000</u>	As Incurred	Before Opening	Landlord; See <u>Note 7</u>
Leasehold Improvements	\$1,500 ^{\$5} <u>0,000</u>	\$7,500 ^{\$12} <u>0,000</u>	As Incurred	Before Opening	Landlord; See <u>Note 2</u>

Utility Deposit	\$100 <u>\$500</u>	\$300 <u>\$5,000</u>	Costs will vary due to policies of local utilities and this estimate includes a utility deposit.	Before Opening	Local Utility Suppliers
Inventory	\$24,650 <u>\$40,000</u>	\$54,230 <u>\$100,000</u>	Estimates for a startup inventory of products and supplies necessary for the operation of the Business.	Before opening as incurred over the course of the first month of operation	Payable to us or third parties; See <u>Note 3</u>
Uniforms	\$300 <u>\$500</u>	\$600 <u>\$2,000</u>	Estimate varies depending upon number of staff.	Before Opening	Vendors
Signage	\$4,900 <u>\$10,000</u>	\$12,000 <u>\$25,000</u>	Estimated cost for the delivery and installation of exterior and interior signage. We specify and provide you with the guidelines in the Operations Manual. Signage expenses are not refundable.	Before Opening	Vendors
Grand Opening Marketing	\$5,000	\$10,000 <u>\$15,000</u>	Marketing will vary depending on several factors including your business plan, growth rate, cost of media in your area and ability to attract customers. Includes minimum amount of \$5,000 for grand opening expenses in conjunction with the opening of your Store and as we may specify in our Operations Manual.	As Incurred	Local Vendors
Staffing (First 3 Months)	\$3,770 <u>\$20,000</u>	\$20,000 <u>\$40,000</u>	As Incurred	As Incurred	Salaries and Expenses; See <u>Note 8</u>
Insurance (12 Months)	\$800 <u>\$2,500</u>	\$8,000 <u>\$8,000</u>	As Incurred	Before Opening and As Incurred	Payable to third parties; See <u>Note 4</u>

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Travel, Lodging and Meals for Supplemental Training Program	\$800 <u>\$1,500</u>	\$12,550 <u>\$5,000</u>	As Incurred	As Incurred During Training	Vendors; See <u>Item 11</u> ; See <u>Note 10</u>
Business Licenses, Permits and Professional Legal and Accounting Fees	\$600 <u>\$2,500</u>	\$10,000 <u>\$2,000</u>	As Incurred	Before Opening	Appropriate licensing authorities and Third Parties
Additional Funds - 3 Months	\$7,500 <u>\$45,000</u>	\$25,000 <u>\$135,000</u>	As Incurred	As Incurred	See <u>Note 5</u>
Total	\$81,620 <u>\$226,000</u>	\$223,075 <u>\$555,000</u>			

Note 1: ~~Note 1:~~ This is an estimate for the items we would expect you to need for fixtures, desks, chairs, shelving units for merchandise, display cases, cabinets, counters, storage racks, tables and other furniture necessary for the operation of your business. Actual furniture and fixture costs may vary due to square footage. If applicable, you must also pay state and local sales tax on purchases of furnishings and fixtures. The sales taxes may range from 3% to 10% of the purchase price and are not included in these estimates. Expenses for the furniture and fixtures may or may not be refundable depending on the terms of the invoice or the purchase agreement.

Note 2: ~~Note 2:~~ We advise you to find a space needing minimal leasehold improvements or fixtures. In most cases you will need to alter the interior of your Business before you open for operation. The costs will vary widely and may be significantly higher than what is projected in the table above depending on such factors as property location, the condition of the property and the extent of alterations required for the property. These sums do not include any sums for the purchase of real property, as we do not expect that you will buy real property. A typical leased location is a retail space in an outlet center, shopping mall or a non-traditional retail space and the typical franchised business has approximately 1,000-3,000 square feet of space. You may be able to reduce this expense if you are able to occupy a space in an existing location that compliments another business. The space must be ~~an~~-enclosed and separate from other businesses with its own locking door. Whether or not any build ~~out~~ expenses are refundable ~~depend~~depends on the terms and conditions of your contracts with construction and mechanical contractors, as well as your lease agreement (Franchise Agreement Section 4). Lease payments for the periods of time that you occupy your premises are not refundable. In the event you leave your leased premises before the termination of your lease, you may owe the landlord payment for the entire lease term depending on the terms and conditions of your lease.

Note 3: ~~Note 3:~~ You must purchase products and supplies for the general operation of the franchised business as specified in the Operations Manual. You must purchase only approved products and supplies, and you must purchase products that meet our specifications, which may change from time to time. The types of products and supplies includes but is not limited to: New

LEGO® kits, new and used LEGO® bricks and mini-figures in bulk, LEGO® posters and other miscellaneous products or supplies as specified by us. Such items may be purchased through us, our affiliates or approved vendors and/or suppliers locally and/or nationally and may not be refundable depending on the terms of the invoice or purchase agreement (Franchise Agreement Sections 4 and 8).

~~Note 4:~~ Note 4: This estimated amount represents twelve months of pre-paid insurance premiums that does not take into account workers' compensation insurance which may vary greatly by state, payroll and classification. You must obtain and keep general comprehensive liability insurance with a minimum policy limit of \$1,000,000 per occurrence and \$2,000,000 aggregate or an amount we reasonably specify. You are also required to obtain All Risk property insurance that covers the assets of the Business and Business Interruption Insurance (Franchise Agreement Section 8).

You may need other insurance such as tenant's liability, statutory workers' compensation insurance (if applicable) and employer's liability insurance with minimum policy limits of \$1,000,000 or an amount we reasonably specify. You may need automobile liability insurance, product liability insurance (covers you for damages that result in injury from products that you distribute), professional liability insurance (covers you for damages that you create that do not result in property or bodily injury) and employee dishonesty insurance are optional however we may require you to obtain this coverage in the future with liability limits of amounts we may reasonably specify. We may change these insurance requirements on reasonable notice to you. There are no other insurance requirements. Whether or not any insurance premiums are refundable depend on the terms and conditions of your insurance policies.

~~Note 5:~~ Note 5: Competitive conditions described in Item 1 will affect these costs. Estimate includes minimum working capital for the startup of your business. This also includes estimates of miscellaneous startup costs such as: rent for an additional two months, purchasing additional inventory, workman's compensation insurance payments, tax deposits, prepaid expenses, additional permits, legal fees, accounting fees and other miscellaneous costs, and additional training (if applicable). When preparing these figures, we considered our principals' combined expertise and experience operating businesses similar to the franchise we offer by this disclosure document. We acknowledge that you may choose to invest additional funds into your business during the first three months of operation, and sometimes longer.

~~Note 6:~~ Note 6: These estimated amounts include computers, software, printers, POS system, cash register, high-speed internet connection modems and routers, telephones with an answering, camera and security system, containers, packaging materials and general office supplies.

~~Note 7:~~ Note 7: Estimated expenses for your business location based on leasing 1,000 to 3,000 square foot facility. This estimate includes a security deposit.

~~Note 8:~~ Note 8: You may need to hire part-time sales staff. This is an estimate for the first three months of operation. This also assumes you intend to transition your initial unit operations to a manager, while you endeavor to open, operate, and grow this unit for the first three months. If staffing models are implemented, these costs may vary.

~~Note 9:~~ Note 9: The Additional Franchise Unit fee, either as a single additional unit or as part of an area development agreement, may be secured for development for ~~initially for \$5,000 as a deposit (with the additional \$5,000 to be paid later, or have the entire additional unit cost of \$10,000 paid upfront~~ \$25,000. This fee would apply to each additional individual unit.

~~Note 10:~~ Note 10: Additional supplemental training may be required, including a potential refresher course (based on initial training) or new manager training for on-site supervisor.

Total Estimated Single Unit Investment for Area Development. We relied on our principals' combined expertise when preparing these figures. The estimate of investment funds is based on an owner-operated business or incorporating Franchise operations to an existing complimentary business and does not include salaries or benefits for full-time employees. As your Business grows, you may choose to hire employees to carry out support service tasks.

These figures are just estimates, and we cannot guarantee that you will not have higher costs. Competitive conditions described in Item 1 will affect these costs. This estimate of startup costs is calculated for a period of three months, with additional operating capital to be available as may be needed during the initial phase. These costs should be included in your projections of overall operations costs beginning with your first month of operation. We acknowledge that you may choose to invest additional funds into your business during the first three months of operation, and sometimes longer.

We do not offer financing, directly or indirectly, for any part of the initial investment for a Franchise. The availability and terms of third-party financing will depend on factors such as the availability of financing generally, your creditworthiness, collateral you may have, and the lending policies of financial institutions. The estimate does not include any finance charges, interest, or debt service obligation, or your living expenses. You should have sufficient capital or other means to pay for your living expenses for at least six months of operation.

The Single Unit Investment for Area Development Franchise Fee is not refundable except as follows: If during the initial training program, we believe that you are not qualified to operate a Bricks & MinifigsTM Franchise, then we will terminate your Franchise and refund your Initial Franchise Fee minus our demonstrated expenses without interest. Except as provided in this Item, any other fees paid to us are not refundable. Amounts paid to any third parties may be refundable, depending upon the contracts between them and you.

ITEM 8 ~~ITEM 8~~

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We may offer or designate others to offer certain products, supplies, point of sale (POS) system, cash registers, software or services and we may become approved suppliers or the only approved supplier(s) for these and other products and services. The products, supplies or services include but are not limited to: new and used LEGO® building bricks, LEGO® mini figures and accessories, new LEGO® play sets, pre-approved non-LEGO® branded and LEGO® compatible

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products, apparel, LEGO® event and/or season specific merchandise in addition to packaging materials, printed advertising materials, promotional items, shows and event marketing opportunities, and vendor, co-branding, affinity programs. Due to the nature of the re-sale industry, most all products that need to be purchased for the Store will be from various sources and you are responsible for identifying such sources. We will provide you with recommended procedures when identifying sources to purchase products during our initial training program.

Currently, except as provided below in this Item, we are not the only approved supplier for products, supplies and services that you are required to use for the operation of your Store. None of our officers owns an interests in any supplier. However, we are the only supplier of all promotional, marketing and company- branded materials. You must purchase all promotional, marketing and company-branded material, as well as, all updates for all promotional and marketing materials when designated as mandatory by us, from us. We ~~Asas~~ of the effective date of this Disclosure Document, all updates are optional, but we may in the future mandate that you purchase certain updates at your expense. We require this in order for you to sell products and offer services from our approved products list.

We are an approved supplier, but not the only approved supplier, of certain inventory for your Store. If we develop proprietary products or software in the future, you must purchase such items from our approved suppliers or us.

You must purchase the POS system we require from approved or designated suppliers. You must only use the merchant services processor we designate. You must only use the gift card processor and system we designate. You must purchase the storefront signage we require from our designated suppliers, as well as employee apparel, nametags, branded fixtures, and branded supplies.

Unless you are professionally qualified to perform bookkeeping and accounting services, you must hire a qualified bookkeeper who will maintain your financial records related to your franchised business, who will meet with you as often as needed to help ensure accuracy of your financial records, and who can assist you with your annual financial statement requirements per the Franchise Agreement. You must hire a Certified Public Accountant or other qualified tax preparer who will prepare your annual tax returns related to your franchised business.

You are not permitted to sell any non- LEGO® branded products or LEGO® compatible products not approved by us, purchase items from an unapproved supplier or use the services of an unapproved vendor, unless you first ~~submit a written request to us for approval~~ follow our vendor approval protocol by submitting our official third-party vendor request form. As a part of this process and protocol, we reserve the right to accept or deny any third-party vendor request that is submitted. We base our specifications for products, supplies, vendor and supplier approvals on our discretionary determination of quality, accuracy of product claims, safety, value, prompt attention to complaints, frequency of delivery, appearance and contributions or other benefits to us and/or any marketing fund. We ~~do not otherwise make our specific criteria for approving suppliers available to franchisees. We~~ have the right to disapprove ~~requests~~ a request for alternate supply sources from you. We may require vendors and/or suppliers to provide certain information in addition to signing a nondisclosure agreement and agree to guarantee our level of quality and produce sufficient samples to allow us to test the sample at

your expense. We may require you to submit to us sufficient specifications, photographs, drawings or other information and samples to determine whether the items meet our specifications. A list of approved vendors and suppliers from whom products, supplies and services may be purchased will be provided to you and may be amended by us periodically. There is a product and vendor assessment fee for supplier approval, and we require third party testing, in which case you will pay the actual cost of the tests. We will approve or disapprove of your adequate request to approve a product, vendor and/or supplier within 30 days after we receive your request. If we approve, then you may contract with the alternative supplier who meets our criteria. We may revoke approval in our sole discretion, including for failure to continue to meet our criteria, by providing written notice to you of such revocation.

We may become approved suppliers or the only approved supplier(s) for other products, supplies and services.

You must maintain an inventory of new and/or used LEGO® branded building bricks, mini figures and accessories in compliance with our specifications.

We will derive revenue from providing products and services directly to our franchisees. In ~~2023~~2024, we received such revenue in the amount of \$~~715,083.01~~1,083,471 (which was ~~13.92~~14.47% of our total revenue of \$~~5,136,588~~7,487,216 as reflected in our most recent audited financial statements). No affiliates of BAM derived any revenue, rebates or other material consideration based on the required purchases or leases.

Currently, neither we nor any affiliate(s) receive any other rebates, price adjustments, or discounts on products or services sold to you by recommended or approved suppliers. However, we reserve the right to do so in the future.

We have not yet established any purchasing or distribution cooperatives for the purchase of supplies. We may, in the future, negotiate purchase arrangements with suppliers for your benefit in the areas of cost and customer support.

It is estimated that all your initial expenditures from us, our affiliates or the vendors that we specify and/or approve that meet our standards and specifications will represent approximately 5% to 25% of your total initial purchases. It is anticipated that during the operation of your franchised business, required purchases from us, our affiliates or the vendors that we specify or approve (not including royalties or labor costs) are estimated to be approximately 5% to 10% of your total annual purchases of goods or services in the continuing operation of your Store (this depends on the size of your Store, amount of inventory your purchase and sales volume).

We do not provide material benefits (for example renewal or additional franchises) to you based solely on your use of designated or approved sources.

Insurance

Before you open a Bricks & Minifigs® for business, you must obtain the insurance coverage for the Store required by the Franchise Agreement. This currently includes, but is not limited to,

ITEM 9

ITEM 9

FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in agreement	Disclosure document item	Section in ADA
(a) Site selection and acquisition/lease	<u>Section 4</u>	<u>Items 7, 11 and 12</u>	<u>Sections 2 and 3</u>
(b) Pre-opening purchases/leases	<u>Section 5</u>	<u>Items 7 and 8</u>	<u>Section 3</u>
(c) Site development and other pre-opening requirements	<u>Sections 4 and 5</u>	<u>Items 6, 7 and 11</u>	<u>Section 3</u>
(d) Initial and ongoing training	<u>Section 5</u>	<u>Item 11</u>	<u>Sections 3 and 5</u>
(e) Opening	<u>Section 4</u>	<u>Item 11</u>	<u>Section 3</u>
(f) Fees	<u>Sections 3 and 10</u>	<u>Items 5, 6 and 7</u>	<u>Sections 2, 3, 7, 8 and 11</u>
(g) Compliance with standards and policies (Operations Manual)	<u>Sections 5 and 8</u>	<u>Items 8, 11 and 16</u>	<u>Sections 2, 4 and 9</u>
(h) Trademarks and proprietary information	<u>Sections 6 and 9</u>	<u>Items 13 and 14</u>	<u>Sections 1, 2 and 10</u>
(i) Restrictions on products/services offered	<u>Section 8</u>	<u>Items 8 and 16</u>	
(j) Warranty and customer service requirements	None	None	
(k) Territory development	<u>Section 4</u>	<u>Item 12</u>	
(l) On-going	<u>Section 8.C</u>	<u>Item 8</u>	

product/services purchases			
(n) (m) Maintenance, appearance and remodeling requirements	<u>Sections 2.C and 8.E</u>	<u>Item 11</u>	<u>Section 3</u>
(n) Insurance	<u>Section 8.H</u>	<u>Items 6, 7 and 8</u>	
(o) Advertising	<u>Section 10</u>	<u>Items 6, 7, and 11</u>	
(p) Indemnification	<u>Section 16.B</u>	<u>Item 6</u>	<u>Sections 2 and 4</u>
(q) Owner's participation/ manag ement manag ement/staffing	<u>Section 7</u>	<u>Items 11 and 15</u>	
(r) Records/reports	<u>Section 11</u>	<u>Items 8 and 11</u>	<u>Section 3</u>
(s) Inspections/audits	<u>Section 12</u>	<u>Items 6 and 11</u>	<u>Section 3</u>
(t) Transfer	<u>Section 13</u>	<u>Items 6 and 17</u>	<u>Sections 6 and 7</u>
(u) Renewal	<u>Section 2.C</u>	<u>Items 6 and 17</u>	<u>Sections 2 and 3</u>
(v) Post-termination Obligations	<u>Section 15</u>	<u>Item 17</u>	<u>Sections 3, 5, 8 and 9</u>
(w) Non-competition covenants	<u>Section 9 and 15.D</u>	<u>Item 17</u>	<u>Section 5</u>
(x) Dispute Resolution	<u>Section 17</u>	<u>Item 17</u>	<u>Sections 10 and 11</u>
(y) Other: Personal Guaranty	<u>Schedule 8</u>	<u>Item 15</u>	<u>Section 3</u>

~~ITEM 2~~

~~ITEM 10~~

ITEM 10 FINANCING

We do not provide direct or indirect financing and do not assist in providing financing for you. We do not guarantee any notes or financial obligations.

ITEM 11

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS & TRAINING

Except as listed below, BAM Franchising, Inc. is not required to provide you with any assistance.

Before you open your Business, we will:

- (1) Not unreasonably withhold our acceptance of a site (the facility in which you plan to operate your Store) that meets our requirements. You select the site of your Store within the ~~protected~~assigned territory provided in the Franchise Agreement. We must accept the site if we feel at our total discretion that it meets or exceeds our standards, but our acceptance does not ensure that your Store will be profitable at the approved location. The factors that we consider in acceptance of the site include population density, traffic patterns, convenience, parking availability, neighborhood and physical characteristics of the premises such as size and layout. We evaluate each proposed site and accept, or do not accept, each one on a case-by-case basis (Franchise Agreement, Section 4).

If you have entered into a Multiple Franchise Purchase Addendum with us, we will apply the same procedure in accepting or rejecting the site you select for each unit. Our then-current standards for sites and territories will apply.

- (2) Approve the lease for the Store (Franchise Agreement, Section 4). We do not, generally, own the premises of any of our franchisees' Store locations.
- (3) Offer you guidance when applying for permits and notifying your state of your proposed Store (if applicable). It is your responsibility to comply with all laws, ordinances and regulations and you are responsible for obtaining all necessary approvals and permits to operate your Store (Franchise Agreement Section 4).
- (4) Advise you of any mandatory specifications, architectural and design plans, floor plans and layouts to you for your Store. We may, if needed, review your architect's final plan. (Franchise Agreement, Section 4).
- (5) Provide you with specifications for all computers, software, POS systems, cash registers, camera and security system, signage, furnishings and fixtures for your Store. (Franchise Agreement Sections 4, 8).
- (6) Provide you with a list of our approved vendors and suppliers for products (including a list of pre-approved non-LEGO® branded and LEGO® compatible products),

ranges between \$3,200 and \$6,500 (See Item 7). If we develop proprietary software in the future, we will provide you with update and upgrade requirements; however, we are not obligated to provide any updates or upgrades to any third-party software programs your use in the operation of your Store. We are not obligated to provide maintenance or repairs to POS and computer system software or hardware that you use. You may be required to upgrade and update the POS and computer systems according to our specifications. We estimate that the annual cost of POS and computer system software and/or hardware upgrades will be approximately \$800 to \$1,600 per year. We reserve the right to have independent access to all information that you store in any POS and computer systems (Franchise Agreement Section 4).

Advertising Fund and Advisory Council

We reserve the right at our discretion to institute, maintain, and administer a ~~National Marketing Brand~~ Fund (referred to as the “~~NMF Brand Fund~~” ~~or~~ “**Fund**”) to support ongoing technology and new product development to be made available to franchisees, and such regional and national advertising as we, in our sole discretion, may deem appropriate to promote the Bricks & Minifigs® name to benefit all franchisees as described in Item 6. While advertising materials may note that franchises are available from us, no System Advertising Fees are used for advertising that is principally a solicitation for the sale of franchises. We will direct all such programs and will have sole discretion over the creative concepts, materials, and endorsements and media used in such programs, and the placement or allocation of such programs. The source of the advertising will come from our in-house advertising department or may in the future from a national or local advertising agency. We reserve the right to determine in our sole discretion the composition of all geographic territories and market areas for the implementation and development of such programs. The advertising programs may be either national, regional, or local at our sole discretion. We are not obligated to spend a specific dollar amount on advertising in your territory (Franchise Agreement, Section 10). Company-owned Businesses are not required to contribute to the ~~NMF Brand Fund~~.

~~(i)~~ You will pay 1% of your monthly Revenue for the ~~NMF Brand Fund~~ as designated in the Franchise Agreement. We may raise, discontinue or reduce the contribution. Contributions are due by the tenth day of the month starting the first full calendar month of your Store operations; and then continue for the remaining term of your franchise (including any partial months).

~~(ii)~~ The contributions to the ~~NMF Brand 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 ~~NMF Fund~~ and its programs, including conducting evaluation of new technologies, products, product development, market research, preparing advertising, promotion and marketing materials, and collecting and accounting for contributions to the ~~NMF Fund~~. Usage of the Fund will include ongoing development of the national website and development of new products and supplies to be made available to Franchisees. The media in which advertisements may be disseminated include print ads, signs, billboards, radio and television and may be conducted on a regional or national basis. Any System Advertising Fees not used in the fiscal year in which they were contributed will be applied and used for advertising and marketing expenses in the following year(s).

Summary of ~~Brand Fund (formerly, the National Marketing Fund)~~ Contributions and Expenses for Fiscal Year ~~2023~~2024

Expenses:	Administrative Expenses	\$12,402.11 <u>\$19,366</u>	3.97% <u>3.65</u> %
	Production	\$84,040.36 <u>\$153,900</u>	26.92% <u>29.04</u> %
	Media Placement	\$215,636.1 8 <u>\$356,64</u> <u>8</u>	69.11% <u>67.30</u> %
Total expenses:		\$312,079.65 <u>\$529,913</u>	100%
Advertising fund contributions:		\$219,675 <u>\$494,745</u>	
Excess of expenses over contributions:		\$(92,405) <u>\$(35,168)</u>	

The franchise spent all of the advertising funds collected. In addition, the franchise spent additional funds from their operational accounts (amounting to \$92,405) to fund Media Placements for the benefit of all of the stores.

While advertising materials may note that franchises are available from us, no advertising fees or assessments we collect from our franchisees are used for advertising that is principally a solicitation for the sale of franchises.

- (i) ~~(iii)~~—We have formed a Franchisee Advisory Council whose purposes include providing counsel and advice on the Fund usage and advertising policies. We retain all operational and decision making authority concerning advertising, and the Advisory Council will serve only in an advisory capacity. The Advisory Council will not be separately incorporated, and therefore, it will not have any written documents. Membership of the Advisory Council is determined by appointment by us. Notwithstanding the foregoing, we have the power to select and approve the members and to form, change, dissolve or merge the Advisory Council.
- (ii) ~~(iv)~~—Neither we nor any Franchisee Advisory Council undertake any obligation to ensure that expenditures by the Fund in or affecting any geographic area are proportionate or equivalent to contributions to the Fund by Franchisees operating in such geographic area or that you or your Store will benefit directly or in

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proportion to your contribution to the Fund. Neither the Fund nor we shall be liable to you with respect to the maintenance, direction, or administration of the Fund, including without limitation, with respect to contributions, expenditures, investments or borrowings, except for acts constituting willful misconduct. Bricks & Minifigs® businesses owned by us, or any of our shareholders or officers, are not required to contribute to the Fund.

- (iii) ~~(v)~~ We administer the fund, which is not audited. If contributions paid into the Fund are not spent in the fiscal year in which they accrue, we can use the remaining amounts for the same purposes in future years. All interest earned on monies contributed to the Fund may be used to pay advertising and technology development costs before other assets of the Fund are expended. Fund contributions are not used to sell additional franchises. We will prepare an annual un-audited statement of monies collected and costs incurred by the Fund and furnish it to you upon written request. All financial statements will be available 120 days after the end of our fiscal year. We reserve the right not to spend all of the funds in the ~~NMF~~Brand Fund in any one year, and such funds may be accrued into the next year.
- (iv) ~~(vi)~~ We expect to receive advertising and promotional allowances and fees from third party vendors and advertisers who enter into cooperative advertising programs with franchisees and us. For example, suppliers may pay promotional allowances for joint advertising promotional material. We may disclose the identity of vendors who pay the promotional allowances to you upon request. In addition, if we require you to buy items from a vendor who pays these allowances, we may place the funds in the ~~NMF~~Brand Fund or spend it on related promotions. Our obligation to provide advertising and marketing will be limited in cost to the amount of contributions and promotional allowances from third parties actually paid into the Fund.

Local Advertising

You must spend a minimum of 3% of your monthly Revenues each calendar month on local advertising and promotion for your Business, in addition to the flat 1% of monthly Revenue per calendar month ~~NMF~~Brand Fund contribution you pay to us. You will also spend at least \$5,000 on “grand opening” promotion in conjunction with the opening of your Store and as we may specify in our Operations Manual. You must report your quarterly advertising expenditures to us by the 10th day after the end of each quarter, or at times, on forms, and in a manner we determine. ~~You are not currently required to participate in any local or regional marketing cooperatives.~~

You will not use any independent advertising or sales promotion programs in any media (including electronic) without our prior review and written approval. We will approve the materials you submit to us within thirty days, if we do not respond within such period all such materials will be deemed automatically disapproved. You will make reasonable efforts to participate in and cooperate with all advertising programs selected by us or by any approved

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group of franchisees, except that you may not need to follow or maintain any sales price or suggested pricing. You are responsible for any expenses of this independent advertising.

Marketing Cooperatives

~~We do not currently have any local or regional advertising cooperatives or any plans to institute any such cooperatives. Franchisee would not be required to participate in a local or regional advertising cooperative were such cooperatives established.~~ We have the right to establish marketing cooperatives for Bricks and Minifigs Franchises in a certain designated marketing area covering the geographic areas we may periodically designate (“Marketing Cooperatives”). We have the right to form, change, dissolve, or merge Marketing Cooperatives. We have the right to create and to enforce the Marketing Cooperatives’ programs and bylaws.

If we have established a Marketing Cooperative in your market area, you must participate in that Marketing Cooperative and its programs and abide by its bylaws. You must contribute the amounts to Marketing Cooperative as determined by vote of the cooperative members in accordance with their bylaws. All Franchises, including those owned by Franchisor or an Affiliate, which are located in the designated local or regional area(s) will contribute to the Marketing Cooperative on the same basis. Contributions to the Marketing Cooperatives are credited toward the three percent (3%) LMF expenditures required by the Franchise Agreement; however, if we provide you and your Marketing Cooperative 90 days’ notice of a special promotion, including any regional promotions, you must participate in the promotion and also pay us any special promotion advertising fees assessed in connection with the program, beginning on the effective date of notice and continuing until the special promotion is concluded. Any special promotion advertising fees will be in addition to, and not credited towards, the three percent (3%) LMF advertising expenditure.

We will administer each specific Marketing Cooperative (by geographic area) and collect your Marketing Cooperative contributions by automatic electronic withdrawal. The financial statements of the Marketing Cooperative may be audited and the reports will be made available to you. Each Franchise located within the local or regional area of the Marketing Cooperative will be entitled to one vote. Advertising conducted by the Marketing Cooperative may be in various media including television, radio, Internet, magazine, newspaper, billboards, transit, and aerial advertising.

Websites

Unless we approve otherwise in writing, you may not establish a separate Website and will only have one web page, as we designate and approve, within our Website. The term “**Website**” includes: Internet and World Wide Web home pages, as well as other electronic sites (such as social networking sites like Facebook, Twitter, LinkedIn, blogs and other applications). You must comply with our requirements regarding selling, advertising, discussing or disseminating any information, or otherwise having a presence on a Website, regarding the Business. If we approve a separate Website for you (which we are not obligated to do), we will provide you with guidelines for establishing and maintaining such Websites and each of the following provisions will apply: ⚡

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(i) you may neither establish nor use any Website without our prior written approval; (ii) before establishing any Website, you must submit to us, for our prior written approval, a sample of the proposed Website, including its domain name, format, visible content (including, without limitation, proposed screen shots), and non-visible content (including meta-tags), in the form and manner we may require and all such work (except for social networking sites) must be performed by us, our affiliates or approved vendors (as described in Item 8); (iii) you must not use or modify a Website (except for social networking sites) without our prior written approval; (iv) you must comply with the standards and specifications for Websites that we may periodically prescribe in the Operations Manual or otherwise in writing; and (v) if we require, you must establish hyperlinks to our website and other Websites.

You must prominently display a banner that promotes the franchise opportunity on your retail sales floor as we dictate.

Time to Commence Operations

We estimate that there will be an interval of 180 days between the signing of the Franchise Agreement and the opening of your Bricks & MinifigsTM store. Factors that may affect this length of time include obtaining and preparing a location that is approved by us for your Bricks & MinifigsTM Franchise, completion of your pre-market entry study to determine any customization of products and services to be offered through your Franchise, satisfactory completion of our initial training program by you (or your managing partners, members or shareholders) and availability of products and supplies.

You must open your Store within 180 days of signing the Franchise Agreement unless we otherwise approve in writing. We will only grant such approval on occasions with extenuating circumstances such as significant and unusual delays beyond your reasonable control at our sole discretion. If you fail to open on time, then we may terminate your Franchise Agreement.

Before opening, you must acquire or lease, at your expense, commercial real estate that is properly zoned for the use of your Bricks & MinifigsTM store under the Franchise Agreement. You must submit to us, in the form we specify, a copy of the location plan and other such information or materials we may require, together with an option contract, letter of intent, or other evidence of satisfactory to us which confirms your favorable prospects for obtaining the location. We will have 30 days following receipt of this information and materials from you to approve or disapprove the proposed location of your Bricks & MinifigsTM Franchise. If we do not approve a proposed location by written notice to you within this 30-day period, the site will be deemed disapproved.

Initial Training Program

Before the opening of your Franchise, you must attend the up to 6-day franchise training program for a Bricks & Minifigs® at our corporate headquarters (currently in Provo, Utah). We maintain a regular calendar for the training program and the trainings are held approximately six to eight times per year (or more frequently if needed). You must begin the initial training program within 45 days of signing the Franchise Agreement. The training program is included in your Initial

We May Require Additional Training. We may reasonably require you and your Owners (and any new or replacement Owners) to receive or attend and complete to our satisfaction additional or advanced training from time to time. We may require you to pay for such training at our reasonable then-current training fees. You must also pay travel, food, and ~~accommodations~~accommodation and all other related expenses. We will attempt to use distance learning techniques, where possible, to minimize these costs. (Franchise Agreement 20.1).

Additional Training Upon Your Request. Depending on availability, we may provide additional training to you and your Owners upon your request. We may require you to pay for such training at our reasonable then-current training fees. You must also pay travel, food, and ~~accommodations~~accommodation and all other related expenses. (Franchise Agreement 20.1).

Continuing Education. We may provide continuing education sessions at locations we designate (typically at our headquarters). Continuing education sessions may have a registration charge to you (currently up to \$300 per person per day) plus our expenses to be determined by us at our reasonable discretion. You are responsible for costs associated with you attending the meetings such as travel, room and board. The programs will normally not exceed a full day. The content may cover various aspects of franchise business operations. We may conduct an annual convention at such place as we designate for all franchisees (typically at our headquarters). We may require each participant to pay a registration fee, and you will be responsible for all costs associated with attending the convention such as travel, room and board. The registration fee for conferences will not exceed \$500 per person. We may increase the training and registration fees referenced above in reasonable amounts based on reasonable criteria. (Franchise Agreement 20.1).

ITEM 12

ITEM 12 TERRITORY

You must operate your single Bricks & Minifigs® store within the specific Store location identified in your Franchise Agreement. You are awarded ~~a protected~~an assigned territory (“**Territory**”). We have pre-determined territories based on population and mileage. You will select, and we will approve, your Territory before you sign the Franchise Agreement. It will be specifically identified in an attachment to your Franchise Agreement before you sign it. There is no minimum size for the Territory.

If you have not yet selected an approved location for your Store upon signing the Franchise Agreement, then you must select a location, subject to our approval, within the Territory.

If you have entered into an ADA, we will approve the location of your additional locations according to the development schedule set forth in the ADA. The then-current standards for sites and territories will apply.

Off-Site Activities

You may not conduct business out of any other site (facility where you will operate your Store) other than the accepted site that has been entered in your Franchise Agreement or made part of by an addendum attached to your Franchise Agreement. However, you may conduct business at off-site events (carnivals, festivals, outdoor markets, etc.) to sell products or provide services as long as such events are within your Territory. After providing notice to us and obtaining our approval, you may conduct business at off-site events in any other geographical area however you cannot perform Target Marketing outside your Territory, as described below. We shall approve or deny your request, which approval is in our sole discretion, within five days of receipt of your written request to conduct business at off-site events in other geographical areas (outside your Territory) that do not encompass the ~~protected~~assigned territory of one or more of our other franchisees. If we approve your request to conduct business at off-site events in another geographical area, you must be prepared to immediately lose any customer business you have established when that area is purchased and immediately refrain from conducting business at such off-site events. You may sell and ship products to customers located outside your Territory so long as your sales do not result from any Target Marketing activities by you and so long as the products you sell and ship and services you provide are being sold, shipped and performed from your Store within your Territory.

If you are asked to conduct business at off-site events in geographical areas that encompass the ~~protected~~assigned territory of one or more of our franchisees, then you must refer that request to the Bricks & Minifigs® store in that geographical area or directly to us.

Relocating

Any relocation of the site for your Store: (1) shall be to a location within the Territory (unless waived by us), (2) requires our prior written consent, which we may grant, condition or withhold in our business judgment (and may be withheld, in any case, if you are in default under your Franchise Agreement), (3) will be at your sole expense and (4) will require that you (and each owner if you operate through a legal entity) sign a general release in a form we prescribe.

Designating Your Territory

While the Franchise Agreement is in force and you are not in default of any material provisions of the Franchise Agreement, we will not establish or license ~~to~~ others the right to establish a Bricks & Minifigs® bricks and mortar outlet (franchised or company-owned) within your Territory. However, we reserve certain rights with respect to your Territory as described below in this Item. Also, franchisees may service customers who are located in your Territory, subject to prohibitions in franchisees' Franchise Agreements (such as prohibitions against engaging in Target Marketing as described below in this Item).

You will not receive an exclusive Territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution, or competitive brands that we control.

Your Territory is determined by population, business potential, traffic patterns, proximity to major roads, demographics of the surrounding area, available parking, market penetration or other conditions important to the successful operation of a Bricks & Minifigs® business, as we

deem appropriate and as identified in your Franchise Agreement. Your Territory is determined by us once a location is chosen, and will not be altered even if there is a population increase or decrease. It will also not be affected by your sales volume, or market penetration. Certain locations, such as major metropolitan areas may have smaller geographic territories of densely populated areas. We must accept the location for your Bricks & Minifigs® store within your Territory in writing before you open for business.

Additional Franchises

You must submit a separate application for each franchised business to be established by you. You must pay the fee for each additional acquisition mentioned in Item 5 and must be in compliance with all of the terms and conditions of the Franchise Agreement. We must approve the location of any additional Bricks & Minifigs® stores.

Soliciting Business

The territory described will affect where you and other franchisees may solicit business. You are prohibited from soliciting and marketing in general to customers by any means outside your Territory and must not specifically engage in target marketing (“**Target Marketing**”) of customers within the ~~protected~~assigned territory of another Bricks & Minifigs® Franchise (and/or company/affiliate owned business or franchise). Target Marketing means a concerted effort by a franchisee to solicit and obtain customers through any type of advertisement or marketing, directed at all or any portion of another franchisee’s ~~protected~~assigned territory (or the territory of a company-owned or affiliate-owned outlet). We will use commercially reasonable efforts to enforce this requirement regarding Target Marketing if you or any other franchisee violates it.

Alternative Channels of Distribution

We may allow you and other franchisees or company-owned stores to sell through an alternative channel of distribution (such as Websites). If you are granted permission to sell products through an alternative channel of distribution, per our written approval, you may sell products to a customer outside your Territory without compensation to the other franchisee or company-owned store. Our response to your request will be made within 30 days after we receive it, otherwise the request will be deemed disapproved. Approval may be revoked in our sole discretion. We, other franchisees and company-owned stores reserve the same right to sell and ship products and provide services to customers who may live within your Territory without compensation to you.

National Accounts

We have the exclusive right to negotiate and enter into agreements or approve forms of agreements to sell products and provide services to any business or organization which owns, manages, controls or otherwise has responsibility for locations in more than one area whose presence is not confined with any one particular franchisee’s territory regardless of the contract amount of products to be provided or services to be performed (a “**National Account**”). After we sign a contract with a National Account, we may, at our option, provide you the option to

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ITEM 13

ITEM 13 TRADEMARKS

Under the Franchise Agreement, we grant you the nonexclusive right to use the Marks in connection with the operation of your Franchise. Our primary trademark is “Bricks & Minifigs®, along with the design, as it appears on the first pages of this disclosure. We have the right to use and to license others to use the Marks and under any other trade name, trademarks, service marks, taglines and logos currently used or that may hereafter be used in the operation of the Store. You must use the Marks only for the operation of your Franchise and in the manner authorized by us.

We have registrations for the following marks on the principal register of the United States Patent and Trademark Office (“USPTO”):

Description of Mark	Principal or Supplemental Register	Registration Number	Registration Date
“Bricks & Minifigs Rebuild, Reuse, Reimagine!” (mark with design)	Principal	4,370,630	July 23, 2013
“Bricks & Minifigs” (standard characters)	Supplemental	4,255,472	December 4, 2012
“Bricks & Minifigs Rebuild, Reuse, Reimagine!” (mark with design)	Principal	4,461,171	January 7, 2014
“Bricks & Minifigs Rebuild, Reuse, Reimagine!” (standard characters)	Principal	4,461,172	January 7, 2014

We have filed all required affidavits in respect to registrations of our marks with the USPTO. We have not yet filed renewals for such registrations because they are not yet due for renewal. We plan to submit renewals as they come due.

We do not have a federal registration on the principal register for our “Bricks & Minifigs” standard character mark. Registration for this mark is on the supplemental register. Therefore, this trademark does not have many legal benefits and rights as a federally-registered mark on the principal register. If your right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses. If our right to use the trademark is challenged by the Lego Group of companies, you may have to change to an alternative trademark, which may increase your expenses.

We have also applied to register the following trademarks on the principal register of the United States Patent and Trademark Office (“USPTO”):

<u>MARK</u>	<u>CLASSES</u>	<u>APPLICATION NUMBER</u>	<u>APPLICATION DATE</u>
<u>BRICKS & MINIFIGS</u>	<u>28, 35</u>	<u>98090312</u>	<u>07/18/2023</u>
	<u>28, 35</u>	<u>98090625</u>	<u>07/18/2023</u>
	<u>28, 35</u>	<u>98090669</u>	<u>07/18/2023</u>
	<u>28, 35</u>	<u>98092300</u>	<u>07/19/2023</u>
	<u>28, 35</u>	<u>98092350</u>	<u>07/19/2023</u>
<u>BRICKDAY PARTY</u>	<u>41</u>	<u>98583627</u>	<u>06/04/2024</u>
<u>BAM</u>	<u>28</u>	<u>98706031</u>	<u>08/19/2024</u>
<u>REBUILD, REUSE, REIMAGINE</u>	<u>35</u>	<u>98816127</u>	<u>10/23/2024</u>
<u>REBUILD, REUSE, REIMAGINE</u>	<u>28</u>	<u>98816183</u>	<u>10/23/2024</u>

We also claim common law rights in our trademarks based on our prior use.

There are no presently effective determinations of the United States Patent and Trademark Office, Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor any pending interference, opposition or cancellation proceeding or material litigation involving the Marks.

By “trademarks” and “Marks” we mean trade names, trademarks, service marks, logos, and commercial symbols used to identify the business and certain foreign marks. We believe that there are no agreements currently in effect that significantly limit our rights to use or license others to use the trademarks and service marks listed in this Item 13 in any manner material to the franchise.

You must notify us immediately in writing of any apparent infringement of or challenge to your use of any Mark, or claim by any person of any rights in any Mark or any similar trade

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another franchisee's ~~protected~~assigned territory, so long as the Products and Services that Franchisee is providing are being performed from or at the Accepted Location within the Territory. If Franchisee is asked to conduct business at off-site events in geographical areas in which there is another franchisee, Franchisee must refer that request to the Bricks & Minifigs® store in that geographical area or directly to us. Whether the other Bricks & Minifigs® store is a franchise or Company- owned store, you must not conduct business at off-site events in that geographical area. marketing cooperatives, as outlined in Item 11 and the Operation Manual are an exception. If there is not a Bricks & Minifigs® store in that geographical area, then you must submit a request to conduct business at off-site events to Franchisor and upon its written approval, Franchisee can proceed.

Some vendors may impose international sales restrictions or selling on particular websites when conducting eCommerce activities, which same prohibitions would be imposed by us to maintain valued vendor relationships.

ITEM 17

~~ITEM 17~~

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

“FA” refers to the Franchise Agreement, and “ADA” refers to the Area Development Agreement.

THE FRANCHISE RELATIONSHIP

Provision	Section in franchise or other agreement	Summary
(a) Term of the Agreement.	FA <u>Section 2.B</u> ; ADA <u>Section 2</u> .	The initial term of the Franchise Agreement is equal to the initial term of your Accepted Location lease (but not less than 10 years or more than 12 years). The initial term is 10 years if you own the Accepted Location.
(b) Renewal or extension of the term.	FA <u>Section 2.C</u> ; ADA N/A	If you meet certain requirements, then you may renew for successive periods. Each renewal term of the franchise will match the renewal term of your lease for the Accepted Location (but not less than 10

		years or more than 12 years). Each renewal term is 10 years if you own the Accepted Location.
Provision	Section in franchise or other agreement	Summary
(c) Requirements to renew	FA <u>Section 2.C</u> ; ADA N/A	Written notice from you no less than 6 months or more than 12 prior to expiration, full compliance, sign general release (subject to state law), sign then current form or new FA, and pay renewal fee. When renewing, you may be asked to sign a contract with materially different terms and conditions than your original contract.
(d) Termination by you.	None	Franchisee may terminate the Franchise Agreement under any grounds permitted by and subject to individual state laws.
(e) Termination by us without cause.	None	We cannot terminate your FA without cause.
(f) Termination by us with cause.	FA <u>Section 14</u> ; ADA <u>Section 9</u> .	We can terminate your FA if you breach a material provision of the FA or fail to open the business or if you breach any other agreements with us. A breach of any agreement between us and you may result in a termination of all other agreements between us.
(g) "Cause" defined as defaults which cannot be cured.	FA- <u>Section 14.A</u> ; ADA <u>Section 9.A</u> .	Bankruptcy and insolvency, abandonment, repeated default, misrepresentations, levy of execution, criminal conviction, noncompliance with laws, non-payment of fees, repeated under reporting of sales, disclosure of confidential information, and other defaults listed in the Franchise Agreement.

(h) “Cause” defined; defaults which can be cured.	FA- <u>Section 14.B</u> ; ADA <u>Section 9.B</u> .	5 days for failure to pay amounts owed; 30 days for all other defaults.
Provision	Section in franchise or other agreement	Summary
(i) Your obligations on termination / non-renewal.	FA- <u>Section 15</u> ; ADA <u>Section 10</u> .	Cease operating franchised business; cease use of confidential information and Marks; no adaption of confusingly similar Marks; deliver property containing the Marks; cancel assumed or similar name registrations; pay outstanding amounts and damages; transfer domain names and web sites; give us the rights to purchase your assets if we choose; deliver manuals; assign phone numbers; comply with covenants and see “r” below.
(j) Assignment of contract by us.	FA- <u>Section 13.A</u> ; ADA <u>Section 7</u>	No restriction on our right to assign.
(k) “Transfer” by you- definition.	FA- <u>Section 13.B</u> ; ADA <u>Section 8</u>	Includes transfer of the FA and business assets by you.
(l) Our approval of transfer by you.	FA- <u>Section 13.C</u> ; ADA <u>Section 8.A</u> .	We have the right to approve all transfers by you.
Provision	Section in franchise or other agreement	Summary
(m) Conditions of our approval of transfer.	FA- <u>Section 13.C</u> ; ADA <u>Section 8.B</u> .	Full compliance; transferee qualifies; transferee does not operate a business similar to a Bricks and Minifigs®; all amounts due are paid in full; completion of training by transferee; transfer fee paid; transferee agrees to be bound by all terms of FA; you sign and

ITEM 19
~~ITEM 19~~

FINANCIAL PERFORMANCE REPRESENTATIONS

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

(2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

The following tables are historical financial performance representations for our franchisee-owned and company-owned outlets that were in operation for the entire ~~2023~~2024 calendar year. Additional information is found in the notes following the tables.

Table No. 1

~~2023~~2024 Franchisee Revenue Performance Totals

2023 <u>2024</u>	# of Franchise Units	Total Revenue	Avg. Revenue	Highest Revenue	Median Revenue	Lowest Revenue
Total Qualifying Units	49 <u>89</u>	\$28,412,780.97 <u>\$47,902,099.55</u>	\$579,852.67 <u>\$538,225.84</u>	\$1,210,402.84 <u>\$1,412,455.39</u>	\$572,270.66 <u>\$489,628.04</u>	\$171,142.74 <u>\$190,165.60</u>
# and % of Units that Attained or Surpassed the Stated Results	49		22 (45%) <u>36</u> <u>(40%)</u>	4	25 (51%) <u>45</u> <u>(50.5%)</u>	1

Table No. 2

20232024 Franchisee ~~Top, Middle, & Bottom~~ Revenue Performance Totals ~~by~~ Quartile

<u>20232024</u>	<u># of Units</u>	<u>Total Revenue</u>	<u>Avg. Revenue</u>	<u>Highest Revenue</u>	<u>Median Revenue</u>	<u>Lowest Revenue</u>
<u>1st Percentile (Top 25%)</u>	<u>22</u>	<u>\$18,732,577.90</u>	<u>\$851,840.81</u>	<u>\$1,412,455.39</u>	<u>\$773,783.41</u>	<u>\$658,605.47</u>
<u># and % of Units that Attained or Surpassed the Stated Results</u>			<u>7 (32%)</u>		<u>11 (50%)</u>	
<u>Top 1/32nd Percentile</u>	<u>16</u> <u>23</u>	<u>\$13,725,320.80</u> <u>\$13,033,278.48</u>	<u>\$857,832.55</u> <u>\$566,664.28</u>	<u>\$1,210,401.8</u> <u>\$644,672.61</u>	<u>\$814,588.66</u> <u>\$565,678.33</u>	<u>\$678,130.86</u> <u>\$489,628.04</u>
<u># and % of Units that Attained or Surpassed the Stated Results</u>	<u>16</u>		<u>7 (44%)11 (48%)</u>	<u>1</u>	<u>8 (50%)12 (52%)</u>	<u>1</u>
<u>3rd Percentile</u>	<u>22</u>	<u>\$9,374,571.38</u>	<u>\$426,116.88</u>	<u>\$473,558.19</u>	<u>\$431,876.09</u>	<u>\$363,703.79</u>
<u>Middle 1/3</u>	<u>18</u>	<u>\$9,370,657.32</u>	<u>\$551,215.14</u>	<u>\$676,927.83</u>	<u>\$572,270.36</u>	<u>\$429,184.41</u>
<u># and % of Units that Attained or Surpassed the Stated Results</u>	<u>18</u>		<u>9 (53%)13 (59%)</u>	<u>1</u>	<u>9 (53%)11 (50%)</u>	<u>1</u>
<u>4th Percentile</u>	<u>22</u>	<u>\$6,761,671.79</u>	<u>\$307,348.72</u>	<u>356,162.56</u>	<u>\$327,467.56</u>	<u>\$190,165.60</u>
<u>Bottom 1/3</u>	<u>17</u>	<u>\$5,316,802.85</u>	<u>\$332,300.18</u>	<u>\$419,082.50</u>	<u>\$354,055.16</u>	<u>\$171,142.74</u>
<u># and % of Units that Attained or Surpassed the Stated Results</u>	<u>17</u>		<u>9 (56%)14 (64%)</u>	<u>1</u>	<u>811 (50%)</u>	<u>1</u>

Table No. 3

2024 Franchisee Gross Margin Total

<u>2024</u>	<u># of Units</u>	<u>Total GM</u>	<u>Avg. GM</u>	<u>Highest GM</u>	<u>Median GM</u>	<u>Lowest GM</u>
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<u>1st Percentile</u>	<u>22</u>	<u>\$6,761,671.79</u>	<u>\$307,348.72</u>	<u>356,162.56</u>	<u>\$327,467.56</u>	<u>\$190,165.60</u>
<u># and % of Units that Attained or Surpassed the Stated Results</u>			<u>14 (64%)</u>		<u>11 (50%)</u>	
<u>Surpassed the Stated Results</u>						
<u>2nd Percentile</u>	<u>13</u>	<u>\$4,537,887.14</u>	<u>\$349,068.24</u>	<u>\$390,429.37</u>	<u>\$340,332.00</u>	<u>\$322,832.00</u>
<u># and % of Units that Attained or Surpassed the Stated Results</u>			<u>5 (38%)</u>		<u>7 (54%)</u>	
<u>3rd Percentile</u>	<u>12</u>	<u>\$3,547,832.93</u>	<u>\$295,652.74</u>	<u>\$319,237.00</u>	<u>\$301,932.00</u>	<u>\$253,226.15</u>
<u># and % of Units that Attained or Surpassed the Stated Results</u>			<u>7 (58%)</u>		<u>6 (50%)</u>	
<u>4th Percentile</u>	<u>12</u>	<u>\$2,350,295.17</u>	<u>\$195,857.93</u>	<u>\$245,451.00</u>	<u>\$208,132.96</u>	<u>\$90,301.16</u>
<u># and % of Units that Attained or Surpassed the Stated Results</u>		<u>8 (66%)</u>		<u>6 (50%)</u>		

Table No. 4

2024 Franchisee Gross Margin Percentage

<u>2024</u>	<u># of Units</u>	<u>Total GM</u>	<u>Avg. GM</u>	<u>Highest GM</u>	<u>Median GM</u>	<u>Lowest GM</u>
<u>1st Percentile (Top 25%)</u>	<u>12</u>	<u>N/A</u>	<u>58.32%</u>	<u>70.70%</u>	<u>61.3%</u>	<u>39.53%</u>
<u># and % of Units that Attained or Surpassed the Stated Results</u>			<u>8 (66%)</u>		<u>6 (50%)</u>	

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<u>2nd Percentile</u>	<u>13</u>	<u>N/A</u>	<u>60.26%</u>	<u>81.09%</u>	<u>58.63%</u>	<u>47.73%</u>
<u># and % of Units that Attained or Surpassed the Stated Results</u>			<u>5 (58%)</u>		<u>7 (54%)</u>	
<u>3rd Percentile</u>	<u>12</u>	<u>N/A</u>	<u>64.88%</u>	<u>84.17%</u>	<u>69.43%</u>	<u>43.22%</u>
<u># and % of Units that Attained or Surpassed the Stated Results</u>			<u>7 (42%)</u>		<u>6 (50%)</u>	
<u>4th Percentile</u>	<u>12</u>	<u>N/A</u>	<u>56.34%</u>	<u>71.43%</u>	<u>56.32%</u>	<u>46.42%</u>
<u># and % of Units that Attained or Surpassed the Stated Results</u>			<u>5 (42%)</u>		<u>6 (50%)</u>	

Below is a breakdown of financial data of active corporate units from the ~~2023~~2024 fiscal year. The data included was taken from ~~54~~ corporate owned units that were in operation for the entire ~~2023~~2024 fiscal year.

Table No. 35

20232024 Corporate Unit Revenue Performance Totals

2023 2024	# of Corporate Units	Total Revenue	Avg. Revenue	Highest Revenue	Median Revenue	Lowest Revenue
Total Qualifying Units	54	\$2,250,250.80 <u>\$1,815,957.19</u>	\$450,050.16 <u>\$453,989.30</u>	\$603,326.21 <u>\$595,588.96</u>	\$434,290.73 <u>\$470,612.75</u>	\$303,498.25 <u>\$308,429.85</u>
# and % of Units that Attained or Surpassed the Stated Results	5		2 (40 <u>50</u> %)	4	3 (60%) <u>2 (50%)</u>	1

Table No. 6

2024 Corporate Unit Gross Margin Total

2024	# of	Total GM	Avg. GM	Highest GM	Median GM	Lowest GM
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	<u>Units</u>					
<u>Total Qualifying Units</u>	<u>4</u>	<u>\$1,115,954.92</u>	<u>\$278,988.73</u>	<u>\$428,342.06</u>	<u>\$305,092.58</u>	<u>\$131,019.80</u>
<u># and % of Units that Attained or Surpassed the Stated Results</u>			<u>2 (50%)</u>		<u>2 (50%)</u>	
<u>Total Qualifying Units</u>	<u>4</u>	<u>N/A</u>	<u>58.69%</u>	<u>71.83%</u>	<u>69.18%</u>	<u>42.61%</u>
<u># and % of Units that Attained or Surpassed the Stated Results</u>			<u>2 (50%)</u>		<u>2 (50%)</u>	

Below is a breakdown of the combined financial data of all active units from the ~~2023~~2024 fiscal year. The data included was taken from the ~~36~~89 franchised units and the ~~5~~4 corporate units, bringing the total to ~~41~~93 units that were in operation for the entire ~~2023~~2024 fiscal year.

Table No. ~~47~~
~~2023 Combined All Unit Performance Totals~~

2023 <u>2024</u> <u>Combined All Unit Revenue Performance Totals</u>	<u># of Units</u>	<u>Total Revenue</u>	<u>Avg. Revenue</u>	<u>Highest Revenue</u>	<u>Median Revenue</u>	<u>Lowest Revenue</u>
<u>Total Qualifying Units</u>	53 <u>93</u>	\$30,636,031.77 <u>\$49,718,056.74</u>	\$567,833.92 <u>\$534,602.76</u>	\$1,210,401.84 <u>\$1,412,455.39</u>	\$530,698.55 <u>\$473,558.19</u>	\$171,142.74 <u>\$190,165.60</u>
<u># and % of Units that Attained or Surpassed the Stated Results</u>	53		26 (48%) <u>38</u> <u>(41%)</u>	+	27 (50%) <u>47</u> <u>(51%)</u>	+

Table No. ~~58~~

~~2023~~2024 Combined ~~Units Top, Middle, & Bottom~~All Unit Revenue Performance ~~Totals~~by Quartile

2023 <u>2024</u>	<u># of</u>	<u>Total Revenue</u>	<u>Avg.</u>	<u>Highest</u>	<u>Median</u>	<u>Lowest</u>
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	Units		Revenue	Revenue	Revenue	Revenue
<u>1st Percentile (Top 1/3 25%)</u>	18 <u>23</u>	\$15,058,993.02 <u>\$19,377,250.51</u>	\$836,610.72 <u>\$842,489.15</u>	\$1,210,401.81 <u>\$1,412,455.39</u>	\$778,817.57 <u>\$736,178.79</u>	\$587,640.61 <u>\$644,672.61</u>
# and % of Units that Attained or Surpassed the Stated Results	18		7 (39%) <u>8 (35%)</u>	1	9 (50%) <u>13 (57%)</u>	1
<u>2nd Percentile</u>	<u>24</u>	<u>\$13,457,753.02</u>	<u>\$560,739.71</u>	<u>\$637,584.66</u>	<u>\$565,678.33</u>	<u>\$473,558.19</u>
<u># and % of Units that Attained or Surpassed the Stated Results</u>			<u>13 (54%)</u>		<u>12 (50%)</u>	
<u>3rd Percentile</u>	<u>23</u>	<u>\$9,812,951.57</u>	<u>\$426,650.07</u>	<u>\$470,612.75</u>	<u>\$426,992.28</u>	<u>\$363,703.79</u>
Middle 1/3	18	\$9,593,040.10	\$532,946.67	\$638,250.74	\$530,698.55	\$429,184.41
# and % of Units that Attained or Surpassed the Stated Results	18		9 (50%) <u>13 (57%)</u>	1	9 (50%) <u>13 (57%)</u>	1
<u>4th Percentile</u>	<u>23</u>	<u>\$4,070,101.64</u>	<u>\$307,395.72</u>	<u>\$356,162.56</u>	<u>\$318,644.12</u>	<u>\$190,165.60</u>
Bottom 1/3	18	\$6,010,998.65	\$333,944.37	\$419,082.50	\$354,055.16	\$171,142.74
# and % of Units that Attained or Surpassed the Stated Results	19		10 (56%) <u>14 (61%)</u>	1	9 (50%) <u>13 (57%)</u>	1

Notes:

1. As of December 31, ~~2023~~2024, there were ~~82~~158 total franchisees in operation and ~~54~~ stores owned by us or an affiliate (“Company-Owned Stores”). As of December 31, ~~2023~~2024, ~~49~~89 franchisees and ~~54~~ Company-Owned Stores had been in operation for at least 12 months and ~~36~~96 franchisees had been in operation for less than 12 months.

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2. In this Item 19, “Total Revenue” means gross revenue minus adjustments, discounts, credits, returns, and sales taxes.

3. ~~Some outlets have earned this amount. Your individual results may differ. There is no assurance that you’ll earn this much.~~

4. ~~3-~~Written substantiation for this financial performance representation is available to you upon reasonable written request.

5. ~~4-~~Our contact information for purposes of this Item follows: Ammon McNeff, President, BAM Franchising, ~~Inc., 4844 North 300 West, Suite 202, Provo, Utah 84604, (888) 534-6776.~~

~~5. ~~Some outlets have earned this amount. Your individual results may differ. There is no assurance that you’ll earn this much.~~~~

~~Other than the preceding financial performance representation, BAM Franchising, Inc. does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting Ammon McNeff, President, BAM Franchising, Inc., 4844 North 300 West, Suite 202, Provo, Utah 84604, (888) 534-6776, the Federal Trade Commission, and the appropriate state regulatory agencies.~~

6. ~~We recommend that you make your own independent investigation to determine whether or not the franchise may be profitable and consult with professional advisors before signing the Franchise Agreement.~~

ITEM 20

~~ITEM 20~~

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For Fiscal Years ~~2021~~2022 thru ~~2023~~2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised*	2021	30	34	4
	2022	34	52	18
	2023	51	82	31 <u>30</u>
	<u>2024</u>	<u>82</u>	<u>155</u>	<u>72</u>
Company-	2021	5	5	0

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Owned**	2022	5	4	-1
	2023	4	5	1
	<u>2024</u>	<u>5</u>	<u>6</u>	<u>2</u>
Total Outlets	2021	35	39	4
	2022	39	56	17
	2023	55 <u>5</u> <u>6</u>	87	323 <u>1</u>
	<u>2024</u>	<u>87</u>	<u>161</u>	<u>74</u>

* This includes the unit franchise owned and operated by our subfranchisor in Labrador, Canada.

** These “company-owned” outlets are owned and operated by entities in which one or more of our officers owns an interest.

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than Franchisor) For Fiscal Years ~~2021~~2022 thru 20232024

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Arizona	2021	0
	2022	1
	2023	0
	<u>2024</u>	<u>1</u>
Colorado	2021	0
	2022	1
	2023	0
	<u>2024</u>	<u>0</u>
Kentucky	2021	0
	2022	0
	2023	1
	<u>2024</u>	<u>0</u>
Oregon	2021	1
	2022	0
	2023	0
	<u>2024</u>	<u>1</u>
Texas	2021	0
	2022	0
	2023	3
	<u>2024</u>	<u>0</u>
<u>Utah</u>	<u>2022</u>	<u>0</u>
	<u>2023</u>	<u>0</u>
	<u>2024</u>	<u>1</u>
Totals	2021	1

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	2022	2
	2023	4
	2024	3

Table No. 3

Status of Franchise Outlets

For Fiscal Years ~~2021~~2022 thru

~~2023~~2024

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations Other Reasons	Column 9 Outlets at End of the Year
Alabama	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	2
Arizona	2021	2	2	0	0	0	0	4
	2022	4	2	0	0	0	0	6
	2023	6	1	0	0	0	0	7
	2024	7	1	0	0	0	0	8
California	2021	3	1	0	0	0	0	4
	2022	4	1	0	0	0	0	5
	2023	5	8	0	2	0	0	11
	2024	11	11	0	0	0	0	21
Colorado	2021	2	0	0	0	0	0	2
	2022	2	2	0	0	0	0	4
	2023	4	1	0	0	0	0	5
	2024	5	3	0	0	0	0	8
Florida	2021	0	0	0	0	0	0	0
	2022	0	2	0	0	0	0	2
	2023	2	1	0	0	0	0	3
	2024	3	5	0	0	0	0	7
Georgia	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1

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	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Illinois	2021 <u>2022</u>	2	0	0	0	0	0	2
	<u>2023</u>	<u>2</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
	<u>2024</u>	<u>3</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
Iowa	2022	20	0	0	0	0	0	20
	2023	20	10	0	0	0	0	30
	<u>2024</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Kansas	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	0	1	0	0	0	0	1
	<u>2024</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Kentucky	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	<u>2024</u>	<u>2</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
Louisiana	<u>2022</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2024</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Michigan	2021	1	0	0	0	0	0	1
	2022	1	2	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	<u>2024</u>	<u>1</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
Minnesota	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	<u>2024</u>	<u>1</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
Missouri	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	<u>2024</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Montana	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	1	0	10
	<u>2024</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Nebraska	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>

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Nevada	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
New Jersey	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	<u>2024</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
New Mexico	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
New York	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
North Carolina	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1 <u>2</u>	0	0	0	0	1 <u>2</u>
	<u>2024</u>	<u>2</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
Ohio	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	<u>2024</u>	<u>1</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
Oklahoma	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	0 <u>1</u>
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Oregon	2021	5	0	0	0	0	0	5
	2022	5	1	0	0	1	0	5
	2023	5	2 <u>1</u>	0	0	1	0	6 <u>5</u>
	<u>2024</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>6</u>
Rhode Island	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
South Carolina	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
	<u>2024</u>	<u>2</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>

Bricks & Minifigs®

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South Dakota	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Tennessee	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	<u>2024</u>	<u>2</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
Texas	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
	2023	6	6	0	0	0	0	12
	<u>2024</u>	<u>12</u>	<u>8</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>20</u>
Utah	2021	2	0	0	0	0	0	2
Utah	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3
	<u>2024</u>	<u>3</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
Virginia	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	<u>2024</u>	<u>2</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>
Washington	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	<u>2024</u>	<u>2</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
Wisconsin	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	2023	2	1	0	0	0	0	3
	<u>2024</u>	<u>3</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>
Total	2021	30	4	0	0	0	0	34
Total	2022	34	19 18	0	0	1	0	52 51
	2023	51	35	0	2	2	0	82 83
	<u>2024</u>	<u>83</u>	<u>73</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>154</u>

Table No. 4

Status of Company-Owned Outlets For Fiscal Years ~~2021~~2022 thru ~~2023~~2024

Column 1 State	Column 2	Column 3	Column	Column 5	Column	Column 7	Column 8
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	Year	Outlets at the Start of the Year	4 Outlets Opened	Outlets Reacquired from Franchisees	6 Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	1
California	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	1
Connecticut	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Florida	2021	1	0	0	0	1	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	1	0	0	1
Idaho	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Montana	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	1	0	0	1
	2024	1	0	0	0	0	1
Oregon	2021	0	0	0	0	0	0
	2022	0	1	0	0	0	1
	2023	1	0	1	0	1	1
	2024	0	0	0	0	0	0
Utah	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Washington	2021	1	0	0	0	1	0
	2022	1	0	0	0	1	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Total	2021	5	0	0	0	0	5
Total	2022	5	1	0	0	2	4
	2023	4	0	2	0	1	5
	2024	5	0	2	0	1	7

Table No. Five

Projected New Franchised Outlets As of December 31, ~~2023~~2024

Column 1	Column 2	Column 3	Column 4
State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Current Fiscal Year
<u>Alabama</u>	<u>0</u>	<u>0</u>	<u>0</u>
Arizona	14	36	0
California	104	57	20
Colorado	14	34	0
Connecticut	1	1	0
Florida	25	59	0
<u>Georgia</u>	<u>2</u>	<u>3</u>	<u>0</u>
Idaho	10	21	0
Illinois	12	32	10
<u>Indiana</u>	<u>2</u>	<u>2</u>	<u>0</u>
Iowa	1	1	0
Kansas	1	21	0
Kentucky	10	10	0
Louisiana	1	31	0
<u>Maryland</u>	<u>1</u>	<u>1</u>	<u>0</u>
Michigan	15	47	0
Minnesota	46	6	0
Montana	1	12	0
Nevada	01	1	10
<u>New Hampshire</u>	<u>1</u>	<u>1</u>	<u>0</u>
<u>New Jersey</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>New Mexico</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>New York</u>	<u>2</u>	<u>4</u>	<u>0</u>
North Carolina	43	45	0
Ohio	3	4	0
<u>Oklahoma</u>	<u>0</u>	<u>0</u>	<u>0</u>

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<u>Oregon</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Pennsylvania</u>	<u>3</u>	<u>3</u>	<u>0</u>
<u>Rhode Island</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>South Carolina</u>	<u>1</u>	<u>2</u>	<u>0</u>
<u>South Dakota</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Tennessee</u>	<u>0</u>	<u>1</u>	<u>0</u>
Texas	9	14 <u>11</u>	0
Utah	3 <u>1</u>	4 <u>1</u>	0 <u>1</u>
Virginia	5 <u>2</u>	6 <u>2</u>	0
Washington	4 <u>2</u>	4 <u>3</u>	0
Wisconsin	2 <u>1</u>	2 <u>1</u>	0
TOTALS	57 <u>70</u>	79 <u>94</u>	4 <u>1</u>

A list of the names of all Franchisees and the addresses and telephone numbers of their Bricks & Minifigs® business are listed as Exhibit F to this Disclosure Document.

A list of the name and last known home address and telephone number of every Franchisee who has had their franchise terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during our most recently concluded fiscal year or who has not communicated with us within 10 weeks of our application date is attached as Exhibit G.

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

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with our franchise system. 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. For example, some former franchisees have signed mutual termination and release agreements that prohibit the former franchisees from disparaging us.

The following is a list, to the extent known to us, of the names, addresses, telephone numbers, email addresses, and Web address of each trademark-specific franchisee organization associated with the franchise system being offered which we have created, sponsored, or endorsed:

Brick & Minifigs Franchisee Advisory Council

Created by BAM FRANCHISING, INC. (Franchisor) Contact: Matthew McNeff, Franchisor's Chief Operation Officer 4844 North 300 West, Suite 202, Provo, Utah 84604 www.BricksandMinifigs.com
Franchise@BricksandMinifigs.com

There are no independent franchisee organizations that have asked to be included in this disclosure document.

[Bricks & Minifigs®](#)
[2025 Franchise Disclosure Document](#)

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~~ITEM 21~~
**ITEM 21 FINANCIAL
STATEMENTS**

Our audited financial statements as of December 31, ~~2020, 2021~~, 2022, 2023, and ~~2023~~2024, as well as, the unaudited interim financials, dated March 31, ~~2024~~2025, are attached to this Disclosure Document as Exhibit H. Our fiscal year end is December 31.

~~ITEM 22~~
ITEM 22 CONTRACTS

The following agreements are attached as exhibits to this Disclosure

Document: Exhibit A Franchise Agreement

Schedule 1 Acknowledgement Addendum (page 59)

Schedule 2 Ownership

Addendum Schedule 3

Guaranty

Schedule 4 Lease Addendum

Schedule 5 Investor personal Covenants Regarding Confidentiality &
Non- Competition

Schedule 6 Authorization Agreement For Prearranged Payments

Schedule 7 Site Selection Addendum

Schedule 8 Assignment of Telephone

Number(s) Schedule 9 SBA Addendum

Schedule 10 State Specific

Addenda Exhibit B Area Development
Agreement

Schedule A Development Area and

Schedule Schedule A-1 Development Area

Map Schedule B Ownership Addendum

Schedule C Guaranty

Schedule D Investor Personal Covenants Regarding Confidentiality and
Non- Competition

Schedule E State Specific Addendum

Exhibit C List of State Franchise Regulators

Exhibit D Disclosure Acknowledgement and Agreement (page

63) Exhibit E Operations Manual Table of Contents

Exhibit F List of Franchisees

Exhibit G Franchisees Who Left the System

Exhibit H Financial Statements

Exhibit I Form of General Release Exhibit

J State Addenda

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Franchise Agreement

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Schedule 7	Site Selection Addendum
Schedule 8	Assignment of Telephone Number(s)
Schedule 9	SBA Addendum
Schedule 10	State Specific Addenda

BAM FRANCHISING, INC. FRANCHISE AGREEMENT

This Franchise Agreement (the “**Agreement**”) is made and entered into as of _____, 20____, by _____ and between BAM Franchising, Inc., a _____ corporation, with its principal place of business at 4844 North 300 West, Suite 202, Provo, Utah 84604 (“**we**”, “**us**”, the “**Company**” or “**Franchisor**” or “**BAM**”) and _____, (“**you**” or “**Franchisee**”) whose principal address is _____[address]. The Company and Franchisee are sometimes collectively referred to in this Agreement as the “**Parties**.”

1. INTRODUCTION

A. BRICKS & MINIFIGS®.

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

B. Your Acknowledgements.

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

in Bricks & Minifigs® stores involves business risks and that the success of the venture is largely dependent on your own business abilities, efforts, and financial resources.

C. Your Representations.

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

2. GRANT OF RIGHTS AND TERRITORY.

A. Grant of Franchise.

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

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

Notwithstanding the foregoing, we have the right to operate (directly or through an Affiliate), and to grant to others the right to operate, within the Territory and elsewhere: (1) Bricks & Minifigs® stores or other Lego® concepts using any part or all of the System Standards and/or Marks that are: (i) located at, education facilities or other special locations

(“**Special Locations**”); and (2) Stores that we purchase that are part of another franchise system or chain, regardless of whether any or all of them are converted to Bricks & Minifigs® stores or continue to be operated independently; and (3) other establishments that we purchase or acquire that are not directly related to LEGO® resale. Additionally, we may purchase or be purchased by, or merge or combine with competing businesses wherever located.

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

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

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

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

D. Interim Period.

If Franchisee does not sign a successor Franchise Agreement prior to the expiration of this Agreement, pursuant to Section 2.C., above, and continues to accept the benefits of this Agreement after the expiration of this Agreement, then at Franchisor's option, this Agreement may be treated either as: (i) expired as of the date of the expiration with Franchisee then operating without a license to do so and in violation of Franchisor's rights; or (ii) continued on a month-to month basis ("Interim Period") until one party provides the other with written notice of such party's intent to terminate the Interim Period, in which case the Interim Period will terminate 30 days after receipt of the notice to terminate the Interim Period. In the latter case, all of Franchisee's obligations shall remain in full force and effect during the Interim Period as if this Agreement had not expired, and all obligations and restrictions imposed on Franchisee upon expiration of this Agreement shall be deemed to take effect upon termination of the Interim Period.

E. Our Reservation of Rights.

Except as otherwise expressly provided in this Agreement, we and our Affiliates (and our respective successors and assigns, by purchase, merger, consolidation, or otherwise) retain all of our rights and discretion with respect to the Marks, the System, and Bricks & Minifigs® stores anywhere in the world, and the right to engage in any business whatsoever, including the right to:

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

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

all use of websites, domain names, URLs, directory addresses, email addresses, metatags, linking, advertising, co-branding and other arrangements, and in all other forms of electronic media. Franchisee may not separately register any domain name or any portion of a domain name containing the Marks or participate or market on any website or other form of electronic media using the Marks unless Franchisee first obtains written approval from Franchisor. Franchisee's general conduct on the Internet or other forms of electronic media, including Franchisee's use of the Marks or any advertising, is subject to the terms and conditions of this Agreement and any other rules, requirements or policies that Franchisor may identify from time to time.

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

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

3. FRANCHISE FEES.

A. Initial Franchise Fee.

You shall pay to the Company a nonrecurring and nonrefundable initial franchise fee of **\$40,000** payable when you sign this Franchise Agreement (the "**Franchise Fee**"). The Franchise Fee shall be fully earned by the Company when paid.

B. Royalty Fees.

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

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

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

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

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

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

E. Store Opening.

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

We will provide you with access to our Pre-Opening Manual to assist you in the pre-opening process. You will prepare and furnish to the Company an opening, advertising and promotional plan and budget for the Store that will contain a time line for opening and budget for publicity, advertising, promotion, staffing, decoration and operation during the Opening Period (“**Grand Opening Plan**”). You must submit a Grand Opening Plan (including the budget) to us for approval at least 90 days before your Store's targeted Grand Opening date. You must use the types of advertising media specified in the Grand Opening Plan and the Pre-Opening Manual.

approval, which shall not be unreasonably withheld, conditioned or delayed. Franchisee must sign any internet and intranet usage agreements and policies when developed by Franchisor. Franchisor retains the right to approve or disapprove any linking to or other use of the Web site.

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

If we approve a separate Website (which we are not obligated to do), then each of the following provisions will apply: (i) Franchisee may neither establish nor use any Website without our prior written approval; (ii) before establishing any Website, Franchisee must submit to us, for our prior written approval, a sample of the proposed Website, including its domain name, format, visible content (including, without limitation, proposed screen shots), and non-visible content (including meta-tags), in the form and manner we may require; and all such work must be performed by us, our affiliates or approved vendors (Franchisee is responsible for all expenses); ~~(iii)~~

(iii) Franchisee must not use or modify a Website without our prior written approval; (iv) Franchisee must comply with the standards and specifications for Websites that Franchisor may periodically prescribe in the Operations Manual or otherwise in writing; and (v) if Franchisor requires, Franchisee must establish hyperlinks to Franchisor’s Website and other Websites; and ~~(vi)~~

(vi) Neither Franchisee nor any of its employees shall post any information regarding us or the System, on any Website or any internet site, without our prior written approval, nor any disparaging statement either during or after termination or expiration of the Agreement. Further Franchisee shall educate and make commercially reasonable efforts to monitor its employees to help avoid them making any such postings. Franchisor retains the right to pre-approve Franchisee’s use of linking and framing between the Franchisee’s website and all other Websites. The Franchisee shall within five (5) days, dismantle any blogs, frames and links between the Franchisee’s web pages and any other Websites, if and as requested by Franchisor. You agree not to register any Internet domain name in any class or category that contains the words Bricks & Minifigs, or any abbreviation, acronym, or variation of those words or any part of our Marks.

C. Notification of Infringement and Claims.

You shall immediately notify the Company of any apparent infringement of or challenge to your use of any Mark, or claim by any person of any rights in any Mark, and you shall not communicate with any person other than the Company and its counsel in connection with any infringement, challenge or claim. The Company and/or Licensor shall have sole discretion to

take action as it or they deem appropriate and shall have the right to exclusively control any litigation or U.S. Patent and Trademark Office proceeding or other administrative proceeding arising out of any infringement, challenge or claim or otherwise relating to any Mark. You must sign any and all instruments and documents, render assistance and do such acts and things as may, in the opinion of the Company's or Licensor's counsel, be necessary or advisable to protect and maintain the interests of the Company and Licensor in any litigation or proceeding or to otherwise protect and maintain the interests of the Company and Licensor in the Marks.

D. Indemnification of Franchisee.

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

E. Discontinuance of use of the Marks.

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

7. **YOUR ORGANIZATION AND MANAGEMENT.**

A. Organizational Documents.

If you are, or at any time become, a business corporation, partnership, limited liability company or other legal entity, you and each of your Principal Owners represent, warrant, and agree that: (1) you are duly organized and validly existing under the laws of the state of your organization, and, if a foreign business corporation, partnership, limited liability company or other legal entity, you are duly qualified to transact business in the state in which your Store is located; ~~(2)~~

(2) you have the authority to sign and deliver this Agreement and to perform your obligations hereunder; (3) true and complete copies of the articles or certificate of incorporation, articles of organization, operating agreement or principles, partnership agreement, bylaws, subscription agreements, buy-sell agreements, voting trust agreements and all other documents relating to

C. Operating Partner/Management of Business.

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

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

D. General Manager.

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

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

8. **BRICKS & MINIFIGS® OPERATING STANDARDS.**

A. Condition of your Store.

You must maintain the condition and appearance of your Store in strict compliance with the Operations Manual. You must maintain your Store’s condition and appearance and make modifications and additions to its layout, décor, operations, and general theme as we periodically require, including interior and exterior repair and appurtenant parking areas, periodic cleaning of your Store, replacement of worn out or obsolete leasehold improvements, fixtures and signs and periodic redecorating. If at any time the general state of repair, appearance, or cleanliness of your Store, or its fixtures, equipment, furniture or signs, does not meet our standards, we may notify

you and specify the action you must take to correct this deficiency. If, within 10 days after receiving this notice, you fail or refuse to initiate the requested action(s), we reserve the right to enter the Store and do this maintenance on your behalf and at your expense. You must promptly reimburse us for this expense. We may collect payment for this expense by pre-authorized electronic bank transfer from your general account.

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

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

B. Uniform Image.

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

C. Services, Products and Vendors.

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

~~Franchise~~Franchisee further acknowledges that we have spent considerable time and effort in developing the Products, Services, processes, methods and technology used in the operation of a Bricks & Minifigs® Business. Accordingly, Franchisee acknowledges that Franchisee is required to sell and use only approved Products, supplies, vendors and suppliers that include, but is not limited to: new and used LEGO® building bricks, LEGO® mini figures and accessories, new LEGO® play sets, pre-approved non-LEGO® branded and LEGO® compatible products apparel, LEGO® event and/or season specific merchandise, promotional and advertising materials in addition to supplies (such as packaging materials) for the operation of the Store. Franchisee is prohibited from selling any non-LEGO® branded products or LEGO®

compatible branded products not approved by us. Franchisor will provide Franchisee with a list of all pre-approved non-LEGO® branded and LEGO® compatible products that Franchisee is authorized to offer and sell in its Store. Franchisee agrees that we may periodically and upon written notice, add to, modify or change such approved products, supplies, vendors and suppliers. Franchisee agrees to promptly accept and implement, in the operation of the Store, all such additions, modifications and changes at Franchisees expense. In addition, Franchisee acknowledges that:

- (1) To insure the consistent high quality and uniformity of Products and Services provided by Bricks & Minifigs® franchised businesses, Franchisee must purchase Products, supplies, POS systems, computers, software, cash registers, camera and security systems, marketing and advertising materials for use in the operation of a Bricks & Minifigs®, from Franchisor, its affiliates or approved vendors who demonstrate to Franchisor's continuing satisfaction an ability to meet Franchisor's standards and specifications. The exception to the above is that because of the nature of the re-sale industry, most all Products that need to be purchased for the Store will be from various sources and Franchisee is responsible for identifying such sources, however Franchisor may make arrangements with vendors for certain Products at negotiated costs that would ultimately benefit the entire System. Franchisor is not liable to Franchisee for any loss or damage, or deemed to be in breach of this Agreement, if Franchisor, or its affiliates or approved vendors and/or suppliers cannot deliver, or case to be delivered, Franchisee's order of Products, supplies or equipment where such items are out-of-stock or discontinued.
- (2) Franchisee is prohibited from carrying more than ten percent (10%) of all items offered for sale in its Store (including in its inventory of Products on the premises) to be non-LEGO® branded products (not from Franchisor's approved list) which align with maintaining the reputation and goodwill of Bricks & Minifigs®, at all times. Franchisor will provide Franchisee with a list of approved non-LEGO® branded products and LEGO® compatible products during the initial training program may determine, at any time, that any given product, service, or vendor is not in alignment with the reputation and goodwill of Bricks & Minifigs® and may not be sold. (Section 5).
- (3) THE FRANCHISOR MAKES NO WARRANTIES REGARDING ANY VENDOR PRODUCTS OR SUPPLIES, AND HEREBY DISCLAIMS THE IMPLIED WARRANTY OF MERCHANTABILITY, THE IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, THE IMPLIED WARRANTY OF QUALITY OF COMPUTER PROGRAMS, THE IMPLIED WARRANTY OF SYSTEM INTEGRATION, AND THE IMPLIED WARRANTY OF INFORMATION CONTENT. FRANCHISOR MAKES NO WARRANTY THAT ANY VENDOR PROVIDED SOFTWARE SOFTWARE WILL BE BUG FREE, VIRUS FREE FREE, OR FREE OF TROJAN TROJAN HORSES OR WORMS. FRANCHISOR MAKES NO WARRANTIES REGARDING ANY OPEN SOURCE SOFTWARE CONTAINED IN ANY

test marketing new products and services in your Store and providing us timely reports and other relevant information regarding this market research.

D. Specifications and Standards.

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

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

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

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

E. Point of Sale and Proprietary Software

You must comply with all mandatory specifications, standards and operating procedures, as periodically modified or updated by the Operations Manual, relating to the use and operation of Point of Sale (“POS”) systems and all required software and digital programs, including, but not limited to, all necessary subscriptions, email accounts, messaging platforms, retail market intelligence tools and similar operational programs.

Although not currently in effect, Franchisee may be required to use our proprietary software for the operation of the Store. If Franchisor develops proprietary software and requires Franchisee to use such software, Franchisor will provide Franchisee with a ninety (90) day written notice to purchase (if applicable) and use such software for the operation of the Store. Franchisor will provide all update and upgrade requirements for the proprietary software as necessary. The installation, maintenance, repairs and upgrade costs for the proprietary software

will be the responsibility of the Franchisee. Usage of any proprietary software (“**Software**”), if developed, will be subject to a separate Software license Agreement which agreement Franchisee agrees to execute.

As part of its efforts to remain competitive and increase Franchisee’s operational efficiency with current and innovative technology and programing, Franchisor may, in its discretion, institute a technology fund to which you will be required to pay a fee of up to 1% of Gross Revenue (the “Technology Fund”). Franchisor will provide a 30-day notice to Franchisee prior to requiring payment to the Technology Fund.

F. Compliance with Laws and Good Business Practices.

You shall secure and maintain in force all required licenses, permits and certificates relating to the operation of the Store (including any certifications and licenses) and shall operate the Store in full compliance with all applicable laws, ordinances and regulations including all government regulations relating to occupational hazards and health, workers compensation insurance, unemployment insurance and withholding and payment of federal and state income taxes, social security taxes and sales taxes. You must refrain from any business or advertising practice which may be injurious to the Company and the goodwill associated with the Marks and other Bricks & Minifigs® stores. You shall immediately notify the Company in writing of: (1) any action, suit or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency other governmental instrumentality, which may adversely affect the development, occupancy, operation or financial condition of Franchisee or the Store; or (2) the delivery of any notice of violation or alleged violation of any law, ordinance or regulation, including those relating to health or sanitation at your Store.

G. Personnel.

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

H. Insurance.

Franchisee must purchase insurance coverage from a carrier with a performance rating of A or higher as rated in the most recent edition of Best Insurance Reports (or comparable criteria as we may specify). Franchisee must maintain such insurance throughout the duration of the initial term of the Franchise Agreement and any renewal terms. Franchisee will procure and maintain general comprehensive liability insurance with a minimum policy limit of \$1,000,000

B. Marketing Cooperatives

We have the right to establish marketing cooperatives for Bricks and Minifigs Franchises in a certain designated marketing areas covering the geographic areas we may periodically designate (“Marketing Cooperatives”). We have the right to form, change, dissolve, or merge Marketing Cooperatives. We have the right to create and to enforce the Marketing Cooperatives’ programs and bylaws.

If we have established a Marketing Cooperative in your market area, you must participate in the Marketing Cooperative and its programs and abide by its bylaws. You must contribute the amounts to Marketing Cooperative as determined by vote of the cooperative members in accordance with their bylaws. All Franchises, including those owned by Franchisor or an Affiliate, which are located in the designated local or regional area(s) will contribute to the Marketing Cooperative on the same basis. Contributions to the Marketing Cooperatives are credited toward the three percent (3%) LMF advertising expenditure. However, if we provide you and your Marketing Cooperative 90 days’ notice of a special promotion, including any regional promotions, you must participate in the promotion and also pay us any special promotion advertising fees assessed in connection with the program, beginning on the effective date of notice and continuing until the special promotion is concluded. Any special promotion advertising fees will be in addition to, and not credited towards, the three percent (3%) LMF advertising expenditure.

We will administer each specific Marketing Cooperative (by geographic area) and collect your Marketing Cooperative contributions by automatic electronic withdrawal. The financial statements of the DMA Marketing Cooperative may be audited and the reports will be made available to you. Each Franchise located within the local or regional area of the Marketing Cooperative will be entitled to one vote. Advertising conducted by the DMA Marketing Cooperative may be in various media including television, radio, Internet, magazine, newspaper, billboards, transit, and aerial advertising.

C. ~~B.~~ National Marketing Fund (NMF).

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

The NMF contribution is to be received by the Franchisor on or before the 10th day of each month for the prior month. The NMF will be used for ongoing technology and new product development, and such national advertising or public relations programs as we, in our sole discretion, may deem appropriate to promote the Bricks & Minifigs Brand. The NMF may also be used for local Franchisee group advertising or marking and Franchisee advisory council expenses; local, regional, national or international advertising or marketing; administration of advertising and marketing (including salaries, accounting, collection, legal and other costs), related expenses and any media or agency costs. We will direct all such programs, and will have

sole discretion over the creative concepts, materials, endorsements and media used in such programs, and the placement or allocation of such programs. We reserve the right to determine in our sole discretion the composition of all geographic territories and market areas for the implementation and development of such programs. Stores owned or operated by Franchisor will contribute to the same basis to the fund.

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

D. ~~E.~~ Advertising Approvals and Initial Advertising Costs.

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

E. ~~D.~~ Franchisee Websites.

You may not promote, offer, or sell any products or services relating to your Store, or use any of the Marks, through the Internet without our consent. You agree not to register any Internet domain name in any class or category that contains the words Bricks & Minifigs® or any other words contained in our Marks or any abbreviation, acronym, or variation of those words without our written approval. Also, you agree to not use any email address or alias that contains the words Bricks & Minifigs® or any other words contained in our Marks or any abbreviation, acronym, or variation of those words except those we have authorized.

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

We have established and plan to maintain the Bricks & Minifigs® Website (the “Website”) to provide information about Bricks & Minifigs®, the Franchise, and the products and services that Stores offer. Also, we will have control over the Bricks & Minifigs® Website’s design and contents. We will have no obligation to maintain the Website indefinitely, and may dismantle it at any time. We have the right to modify or discontinue the Website or any of its functions if we determine that it becomes advisable at any time. We will have no liability or obligation whatsoever with respect to any required modification or discontinuance of the

creditors, or if your bank accounts, property or accounts receivable are attached or signing is levied against your business or property or;

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

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

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

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

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

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

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

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

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

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

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

F. Continuing Obligations.

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

16. RELATIONSHIP OF PARTIES/INDEMNIFICATION.

A. Independent Contractors.

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

You understand and agree that we may operate and change the System and our business in any manner that is not expressly and specifically prohibited by this Agreement. Whenever we have expressly reserved in this Agreement or are deemed to have a right and/or discretion to take or withhold an action, or to grant or decline to grant you a right to take or withhold an action, except as otherwise expressly and specifically provided in this Agreement, we may make our decision or exercise our right and/or discretion on the basis of our judgment of what is in our best interests, including our judgment of what is in the best interest of our franchise network, at the time our decision is made or our right or discretion is exercised, without regard to whether: (1) other reasonable alternative decisions or actions could have been made by us; (2) our decision or the action we take promotes our financial or other individual interest; (3) our decision or the action we take applies differently to you and one or more other franchisees or our company-owned or company-affiliated operations; or (4) our decision or the exercise of our right or discretion is adverse to your interests. In the absence of an applicable statute, we will have no

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

FRANCHISOR _____ FRANCHISEE _____

BAM FRANCHISING, INC.,
an Oregon corporation

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

By: _____
Print Name: _____

_____ Title: _____

_____ Date: _____

By: _____
Print Name: _____

_____ Title: _____

_____ Date: _____

FRANCHISEE

SCHEDULE 4
SCHEDULE 4 LEASE ADDENDUM

This Lease Addendum is signed as of this ___ day of _____
, 20___, by and between

_____ (“Franchisee”)
at _____ (the “**Accepted**”, state of _____
(the “**Accepted-** _____
Location”) dated as of _____, 20___.

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

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

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

1. Landlord shall deliver to Franchisor a copy of any notice of default or termination of the Lease at the same time this notice is delivered to Franchisee. In the event of default by Franchisee, Landlord must provide notice to Franchisor of Franchisee’s default under the Lease, and Landlord must provide Franchisor with the right (but not the obligation) to cure Franchisee’s default.

2. Notwithstanding anything to the contrary contained in the Lease, Franchisee shall have the ~~absolute~~ right to sublet, assign, or otherwise transfer its interest in the Lease to Franchisor or any of its affiliates, or to a corporation with which the Franchisee or Franchisor may merge or consolidate, ~~without Landlord’s approval written or otherwise.~~

~~3. If the Franchisor requests, the Franchisee shall assign to Franchisor, and Landlord hereby irrevocably and unconditionally consents to this assignment, all of Franchisee’s rights, title, and interest to and under the Lease, but no such assignment shall be effective unless:~~

~~a. The Franchise Agreement is terminated or expires without signing of a successor franchise agreement; and~~

~~b. Franchisor notifies the Franchisee and Landlord in writing that Franchisor assumes Franchisee’s obligations under the lease.~~

~~4. Franchisor shall have the right, but not the obligation, upon giving written notice of its election to Franchisee and Landlord, to cure any breach of the Lease and, if so stated in the notice, to also succeed to Franchisee’s rights, title, and interests there under.~~

3. ~~5.~~ The Lease may not be amended, modified, extended, supplemented, assigned, or renewed in any manner or assigned by Franchisee without Franchisor’s prior written consent.

4. ~~6.~~ Franchisee and Landlord acknowledge and agree that Franchisor shall have no liability or obligation whatsoever under the Lease unless and until Franchisor assumes the Lease in writing pursuant to Sections 3, 4, or 5 above this Addendum. Franchisor will assume all of Franchisee's obligations under the Lease or Sublease from and after ~~the date of assignment, but shall have no obligation to pay any delinquent rent or to cure any other default under the Lease that occurred or existed before~~ the date of assignment.

5. ~~7.~~ If Franchisor assumes the Lease, as above provided, Franchisor may further assign the Lease to another person or entity to operate the Bricks & Minifigs® stores at the Accepted Location, subject to Landlord's consent, which consent will not be unreasonably withheld or delayed. Landlord agrees to sign such further documentation to confirm its consent to the assignments permitted under this Addendum as Franchisor may request.

6. ~~8.~~ Landlord and Franchisee hereby acknowledge that Franchisee has agreed under the Franchise Agreement that Franchisor and its employees or agents shall have the right to enter the Accepted Location for certain purposes. Landlord hereby agrees not to interfere with or prevent this entry by Franchisor, its employees, or its agents, onto the Accepted Location. Landlord and Franchisee hereby further acknowledge that in the event the Franchise Agreement expires (without renewal) or is terminated, Franchisee is obligated to take certain steps under the Franchise Agreement to de-identify the location as a Bricks & Minifigs® stores. Landlord agrees to permit Franchisor, its employees, or its agents, to enter the Accepted Location and remove signs (both interior and exterior), décor, and materials displaying any marks, designs, or logos owned by Franchisor, provided Franchisor shall bear the expense of repairing any damage to the Accepted Location as a result thereof.

7. ~~9.~~ Under the Franchise Agreement, any lease for the location of a Bricks & Minifigs® ~~stores~~ store is subject to Franchisor's approval. Accordingly, the Lease is contingent upon this approval.

~~10. — Upon Franchisor's request, Franchisee hereby authorizes and requires the Landlord to disclose to Franchisor, upon Franchisor's request, sales and other information that Franchisee furnishes to the Landlord.~~

8. ~~11.~~ Landlord agrees that Franchisor, or Franchisor's assignee or designee has the right (but not the obligation) to assume the Lease or sublease: (1) upon expiration or termination of the Franchise Agreement (without renewal) between Franchisee and Franchisor; (2) if Franchisee fails to exercise any options to renew or extend the Lease during the term of the Franchise Agreement between Franchisee and Franchisor; (3) if Franchisee commits a default that gives the Landlord the right to terminate the Lease or sublease; or (4) if Franchisor purchases Franchisee's Store (as permitted by the Franchise Agreement between Franchisor and Franchisee).

9. ~~12.~~ Landlord and Franchisee agree that if Landlord is an Owner or an Affiliate of the Franchisee, as defined in the Franchise Agreement, and Landlord proposes to sell the Accepted Location, before the sale of the Accepted Location, the Lease upon the request of the Franchisor shall be amended to reflect a rental rate and other terms that are the reasonable and customary rental rates and terms prevailing in the community where the Bricks & Minifigs® stores is located.

10. ~~13.~~ Landlord agrees that during and after the term of the Lease, it will not disclose or use Confidential Information (as defined below) for any purpose other than for the purpose of fulfilling Landlord's obligations under the Lease. "Confidential Information" as used herein shall mean all non-public information and tangible things, whether written, oral, electronic or in other form, provided or disclosed by or on behalf of Franchisee to Landlord, or otherwise obtained by Landlord, regarding the design and operations of the business located at the Accepted Location, including all information identifying or describing the floor plan, equipment, furniture, fixtures, wall coverings, flooring materials, shelving, decorations, trade secrets, trade dress, "look and feel," layout, design, formulas, manner of operation, suppliers, vendors, and all other products, goods, and services used, useful or provided by or for Franchisee on the Accepted Location. Landlord acknowledges that all Confidential Information belongs exclusively to Franchisor. Landlord agrees that should it breach or threaten to breach this provision of the Addendum, Franchisor will suffer irreparable damages and its remedy at law will be inadequate. Therefore, if Landlord threatens or actually breaches this provision, Franchisor (which, along with successors and assigns, is an intended third-party beneficiary of the provisions of this paragraph), shall be entitled to all remedies available to Franchisor at law or in equity, including injunctive relief.

~~14. — Landlord agrees to provide that a memorandum of the Lease be recorded in the appropriate recorder's office in the county in which the Store is located and that a copy of the recording certificate be sent to Franchisor.~~

~~15. — Landlord acknowledges that it has reviewed the Approved Bricks & Minifigs Design and Signage Package. Landlord agrees and consents to Franchisee's use of one or more of the signs described in the Approved Bricks & Minifigs Design and Signage Package and all trade dress elements found in the same Approved Bricks & Minifigs Design and Signage Package as required by Franchisor.~~

11. ~~16.~~ Copies of any and all notices required or permitted hereby or by the Lease shall also be sent to Franchisor at:

BAM Franchising, Inc.
4844 North 300 West, Suite 202 Provo, Utah 84604

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

WITNESS the signing hereof under seal.

LANDLORD:

FRANCHISEE

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

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

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

By: _____

Print Name: _____
Title: _____
Date: _____

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

In conjunction with your investment in _____
("Franchisee") a

_____ [Utah limited liability company, etc.], you ("**Investor**" or "**you**"), acknowledge and agree as follows for the benefit of BAM Franchising, Inc. ("**Franchisor**"):

1. Franchisee owns and operates, or is developing, a Bricks & Minifigs® stores located at, or to be located at

_____, pursuant to a franchise agreement dated _____, 20__ ("**Franchise Agreement**") with Franchisor, which Franchise Agreement requires persons with legal or beneficial ownership interests in Franchisee under certain circumstances to be personally bound by the confidentiality and non-competition covenants contained in the Franchise Agreement. All capitalized terms contained herein shall have the same meaning set forth in the Franchise Agreement.

2. You own or intend to own the percentage legal or beneficial ownership interest in Franchisee, set forth beneath your signature below, and acknowledge set forth below your signature below and agree that your signing of this Agreement is a condition to this ownership interest and that you have received good and valuable consideration for signing this Agreement. Franchisor may enforce this Agreement directly against you and your Owners (as defined below).

3. If you are a corporation, partnership, limited liability company or other entity, all persons who have a legal or beneficial interest in you ("**Owners**") must also sign this Agreement.

4. You and your Owners, if any, may gain access to parts of our Confidential Information as a result of investing in Franchisee. The Confidential Information is proprietary and includes Bricks and Minifigs® trade secrets. You and your Owners hereby agree that while you and they have a legal or beneficial ownership interest in Franchisee and thereafter you and they: ~~(a)~~ (a) will not use the Confidential Information in any other business or capacity (such use being an unfair method of competition); (b) will maintain the confidentiality of the Confidential Information; and (c) will not make unauthorized copies of any portion of the Confidential Information disclosed in written, electronic or other form. If you or your Owners cease to

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

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

~~The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.~~

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

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

HAWAII

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

This registration is currently effective in California and Washington.

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

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

2. The Franchise Agreement has been amended as follows:

Illinois is void. However, the franchise agreement may provide for arbitration to take place outside of Illinois.

~~Payment of Initial and Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.~~

Your rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

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

(See the last page for your required signature)

MARYLAND

The Disclosure Document is amended to state:

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

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

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

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

“Notwithstanding anything in this Agreement to the contrary, UNLESS GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.) OR OTHER FEDERAL LAW OR MATTERS ARISING UNDER THE MARYLAND FRANCHISE REGISTRATION AND

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

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

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

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

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

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

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

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

~~Per the requirement of the Minnesota Securities Registration Division, payment of the Initial Franchise Fee required under Item 5 and Item 7 of the FDD is hereby deferred until the Business is open.~~

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

~~North Dakota has imposed a financial condition under which the initial franchise fees due will be deferred until the franchisor has fulfilled its initial pre-opening obligations under the Franchise Agreement and the franchise is open for business.~~

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

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

RHODE ISLAND

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

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

VIRGINIA

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

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

~~The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the development fee owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the development agreement.~~

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

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

WASHINGTON

~~Section 1.B and Schedule 1 of the Franchise Agreement do not apply in~~ The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** ~~In the State~~ event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

~~Exhibit D to the Franchise Disclosure Document does not apply in the State of Washington.~~ Franchisee Bill of Rights. RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

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

~~In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW, shall prevail.~~ General Release. A release or waiver of rights ~~executed by a franchisee may not include rights in~~ the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any ~~rule~~ rules or ~~order~~ orders thereunder is void except when executed

pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

3. **Statute of Limitations and Waiver of Jury Trial.** Provisions ~~such as those~~ which contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

4. **Transfer Fees.** Transfer fees are collectable only to the extent that they ~~reflect~~ reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

~~RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.~~ Termination by Franchisee. The franchisee may terminate the franchise agreement under any grounds permitted under state law.

5. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

6. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

7. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

8. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

9. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

10. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

11. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for ~~inflation~~inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for ~~inflation~~inflation). As a result, any ~~provisions~~provision contained in the franchise agreement or elsewhere that ~~conflict~~conflicts with these limitations ~~are~~is void and unenforceable in Washington.

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

~~The State of Washington has imposed a financial condition under which the initial franchise fees due will be deferred until the franchisor has fulfilled its initial pre-opening obligations under the Franchise Agreement and the franchise is open for business. In the event that franchisee signs a Multiple Franchise Purchase Addendum, the deferral of initial franchise fees will be pro-rated, such that the franchisee will pay the franchisor the fee proportionally upon the opening of each unit franchise under the Multiple Franchise Purchase Addendum.~~

~~In addition to the rights and responsibilities enumerated in the Disclosure Document and Franchise Agreement concerning termination and non-renewal, Washington State residents have certain rights under the Washington Franchise Investment Protection Act.~~ **Questionnaires and Acknowledgments.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

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

13. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

14. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for

referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

The undersigned parties do hereby acknowledge receipt of this Addendum. Dated this day of 20 .

Signature of Franchisor Representative Signature of Franchisee Representative

Title of Franchisor Representative Title of Franchisee Representative

Instructions for franchisors:

- This addendum should also be used as an addendum to any development agreement.
- The Division does not object to a franchisor using a single addendum that modifies multiple agreements and documents (i.e., an addendum titled: “Washington Addendum to the Franchise Disclosure Document, the Franchise Agreement, the Development Agreement, and All Related Agreements”).

WISCONSIN

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

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

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

(Signatures on following page)

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Schedule A — Development Area and Schedule

Schedule A-1 — Development Area Map

Schedule B — Ownership Addendum

Schedule C — Guaranty Schedule D — Investor Personal Covenants Regarding Confidentiality and

Non-Competition Schedule E — State Specific Addenda

connection with the ADA Application for the rights granted hereunder will be credited against the Development Fee.

B. DEVELOPMENT RIGHTS.

During the Term and provided you and your Affiliates are in compliance with this Agreement and all other agreements with us or any of our Affiliates (including Franchise Agreements signed pursuant to this Agreement), we will: (1) grant to you, in accordance with Section 3 below, that cumulative number of franchises for Bricks & Minifigs Businesses set forth in Schedule A, all of which are to be located within the geographic area described in Schedule A (the “**Development Area**”); and (2) not operate (directly or through an Affiliate), nor grant the right to operate, any Bricks & Minifigs Business located within the Development Area, except for: ~~(i)~~

(i) franchises granted pursuant to this Agreement; (ii) Bricks & Minifigs Businesses open (or under commitment to open) as of the date hereof; (iii) Bricks & Minifigs Businesses or other toy and or LEGO related businesses using any part or all of the System Standards and/or Marks that are: (1) Bricks & Minifigs® stores or other Lego® concepts using any part or all of the System Standards and/or Marks that are: (i) located at, education facilities or other special locations (“**Special Locations**”); and (2) Stores that we purchase that are part of another franchise system or chain, regardless of whether any or all of them are converted to Bricks & Minifigs® stores or continue to be operated independently; and (3) other establishments that we purchase or acquire that are not directly related to LEGO® resale.

Additionally, we may purchase or be purchased by, or merge or combine with competing businesses wherever located.

C. DEVELOPMENT OBLIGATIONS.

You must have open and operating in the Development Area, in accordance with and pursuant to signed Franchise Agreements, that cumulative number of Bricks & Minifigs Businesses set forth in Schedule A by the corresponding dates set forth therein (“**Development Schedule**”). Time is of the essence in this Agreement, and any requests by you to extend the Development Schedule may be granted or denied by us for any reason or no reason. Your failure to develop and operate Bricks & Minifigs Businesses in accordance with the Development Schedule is a material breach of this Agreement for which we have the right to exercise any and all rights and remedies conferred under this Agreement and applicable law, including the right, in our sole discretion, to: (1) terminate this Agreement pursuant to Section 8.B below without prejudice to our recovery of damages; or (2) require you to pay to us (i) on demand, a fee equal to the initial franchise fees that would have been due under the franchise agreements you would have entered into if you had complied with the Development Schedule (the “**Development Deficiency Initial Fee**”) for each Bricks & Minifigs Business that you have so failed to open; and (ii) from and after this breach (until the failure to meet the Development Schedule is cured) an amount equal to the average royalties received by us from all Bricks & Minifigs Businesses for each Bricks & Minifigs Business that you have so failed to open (the “**Development Deficiency Royalty Fees**”), all of which amounts (inclusive of the Development Deficiency Initial Fee and the Development Deficiency Royalty Fees) represent liquidated damages. Such damages are difficult to calculate with certainty, but the foregoing represents a reasonable

assumption of purchase agreement, if applicable; (2) execute a Franchise Agreement and such ancillary documents as are then customarily used by us in the grant of franchises for Bricks & Minifigs Business, as modified for use in connection with the Target Site (the “**Franchise Documents**”), and pay the fees, including the initial franchise fee, that we are then charging for new Bricks & Minifigs franchises; ~~(3)~~

(3) pay us a site location and negotiation fee plus our reasonable out-of-pocket expenses incurred in locating the Target Site and negotiating the lease or purchase agreement; and (4) sign an agreement indemnifying us and holding us harmless for any and all obligations under the lease as of the date of assignment, all within 10 days after our delivery to you of the lease or purchase agreement, as the case may be, and the Franchise Documents. We will fully cooperate with you in obtaining the landlord’s consent to your execution of the lease or the seller’s consent to your execution of the purchase agreement or assignment of purchase agreement, as the case may be.

(iii) If you timely notify us in writing that you desire to develop and operate a Bricks & Minifigs Business at the Target Site and we have not fully negotiated a lease or purchase agreement for the Target Site, then you will have 30 days in which to negotiate and deliver to us a lease or purchase agreement for the Target Site in form for execution. If we disapprove the lease or purchase agreement for failure to meet our requirements, you will have 10 days within which to negotiate and deliver to us a revised lease or purchase agreement for the Target Site in form for execution. If we approve the lease or the purchase agreement for the Target Site, then you will (1) execute the lease or purchase agreement, as applicable; (2) execute the Franchise Documents and pay the fees, including the initial franchise fee that we are then charging for new Bricks & Minifigs franchises; and (3) pay to us a site location fee plus our reasonable out-of-pocket expenses in locating the Target Site and, to the extent applicable, partially negotiating the lease or purchase agreement, all within 10 days after our delivery of the Franchise Documents to you.

(iv) If you (1) decline the option to develop a Target Site, (2) fail to timely notify us of your election to develop a Target Site, or (3) fail to timely execute the approved lease or purchase agreement and Franchise Documents for a Target Site and pay the applicable fees as provided above, then we or one of our Affiliates may develop and operate a Bricks & Minifigs Business at the Target Site or grant a franchise to a third party to develop and operate a Bricks & Minifigs Business at the Target Site. Any Target Site developed by us, one of our Affiliates, or another franchisee will not count towards the Development Schedule and may therefore put you in material breach and default of this agreement.

(v) Any Target Site for which you execute the Franchise Documents and develop and open a Bricks & Minifigs Business will count towards the Development Schedule.

(vi) For the avoidance of doubt, we are not required to give notice to you or to offer you a franchise to develop a Bricks & Minifigs Business with regard to any Target Site or Conversion Site (defined below) within the Development Area and may develop and open (or franchise others to develop and operate) a Bricks & Minifigs Business at the Target Site or Conversion Site after the Term of this Agreement expires as provided in Section 2.A above.

D. GRANT OF FRANCHISE.

If we accept a proposed site pursuant to Section 3.B above, and you demonstrate the requisite financial and management capabilities (if requested by us) pursuant to Section 3.C above, then we agree to offer you the rights to a franchise to operate a Bricks & Minifigs Business at the proposed site by delivering to you our then-current form of standard Franchise Agreement, together with all standard ancillary documents (including exhibits, addendum, riders, collateral assignments of leases, Owner guaranties and other related documents) that we then customarily use in granting franchises for the operation of Bricks & Minifigs Businesses in the state in which the Bricks & Minifigs Business is to be located, as follows:

(i) The Franchise Agreement must be signed by you and your Owners and returned to us not earlier than seven calendar days and not later than 15 business days after we deliver it to you. If we do not receive the fully signed Franchise Agreement and payment of the initial franchise fee as required hereunder, we may revoke our offer to grant you a franchise to operate a Bricks & Minifigs Business at the proposed site and may revoke our acceptance of the proposed site. Concurrently with your signing and delivery to us of each Franchise Agreement, you and your Owners and Affiliates must, except if limited or prohibited by applicable law, sign and deliver to us a general release in form and substance satisfactory to us, of any and all claims against us, our Affiliates and shareholders, members, officers, directors, employees, agents, successors and assigns; and

(ii) The initial franchise fee payable for each Bricks & Minifigs Business required to be developed by Area Developer pursuant to this Agreement shall be ~~Fifteen~~Forty Thousand ~~Dollars~~dollars (~~\$15,000~~40,000), for the first location, then \$25,000 for each subsequent location, payable upon execution of the Franchise Agreement, and the royalty fees shall not exceed the percentage set forth in our standard form Franchise Agreement being offered as of the date of this Agreement. ~~Seven Thousand Five Hundred Dollars (\$7,500) of the Development Fee paid in accordance with Section 2.A above will be applied against the initial franchise fee payable under each Franchise Agreement entered into pursuant to the terms of this Agreement. You acknowledge and agree that no portion of the Development Fee shall be refunded for any Bricks & Minifigs Business that you have failed to develop in accordance with the terms of this Agreement.~~

E. RESTRICTIONS ON DEBT.

In connection with the development of the Development Area, including payment to us of the Development Fee set forth in Schedule A, the payment of franchise fees and the costs and expenses to be incurred pursuant to Franchise Agreements, you and each Owner represent, warrant, covenant and agree that neither you nor any Owner borrowed any funds or otherwise incurred any debt to obtain any funds for the payment of any fees, costs, and expenses, except as specifically permitted in this Section 3.E. You and each Owner shall not, without our prior written consent, which we may grant or deny in our sole discretion, directly or indirectly borrow any money or incur any debt or liability (other than lease obligations for the Bricks & Minifigs Business's land and building and trade payables in the ordinary course of business) to develop the Development Area or to establish, operate and maintain the Bricks & Minifigs Businesses,

(ii) you and your Owners and Affiliates are in compliance with the provisions of this Agreement, all Franchise Agreements signed pursuant hereto and all other agreements with us or any of our Affiliates;

(iii) the proposed transferee, or its Owners (if the proposed transferee is a corporation, partnership, limited liability company or other legal entity), must: (a) provide us on a timely basis all information we request, (b) be individuals acting in their individual capacities who are of good character and reputation, (c) have sufficient business experience, aptitude and financial resources to develop, open and operate Bricks & Minifigs Businesses within the Development Area pursuant to this Agreement, and (d) otherwise meet our approval;

(iv) the proposed transferee may not be an entity, or be affiliated with an entity, that is required to comply with reporting and information requirements of the Securities Exchange Act of 1934, as amended;

(v) the transferee (and its owners) must agree to be bound by all of the provisions of this Agreement for the remainder of its Term;

(vi) at our discretion, we may require that the transferee must acquire, in a concurrent transaction, all of your rights, and the rights of your Owners and Affiliates, under all agreements between you or your Affiliates and us or our Affiliates, including all Franchise Agreements for Bricks & Minifigs Businesses signed by you or your Owners or Affiliates pursuant to this Agreement or pursuant to any other development or similar agreement with us;

(vii) you or the transferee must pay us ~~our then current~~ Transfer fee ~~equal to Ten Thousand Dollars (\$10,000), plus Ten Thousand Dollars (\$10,000)~~ for each Bricks & Minifigs Business for which a Franchise Agreement has been signed pursuant hereto (as required under the terms of such Franchise Agreements), plus any transfer fee required by any other agreement between you or your Affiliates and us or our Affiliates;

(viii) you and your Owners and Affiliates must, unless limited or prohibited by applicable law, sign a general release, in form and substance satisfactory to us, of any and all claims against us, our Affiliates, shareholders, members, officers, directors, employees, agents, successors and assigns;

(ix) we must not have disapproved the material terms and conditions of the Transfer (including the price and terms of payment and the amount to be financed by the transferee in connection with the Transfer, which shall not in any event exceed seventy-five percent (75%) of the purchase price for the assets or stock to be transferred) on the basis that they are so burdensome as to be likely, in our reasonable judgment, to adversely affect the transferee's operation of Bricks & Minifigs Businesses or its compliance with its Franchise Agreements, this Agreement, and any other agreements being transferred;

(x) if you (or any of your Owners or Affiliates) finance any part of the sale price of the Transferred interest, you and your Owners or Affiliates must agree that all obligations of

Any proposed private placement of your or your Affiliate's securities must be approved by us; provided however, that we shall not be responsible for its contents and you shall indemnify and hold us harmless from any and all claims associated with such private placement. The offering memorandum or information used in connection with the private placement will clearly identify that it is not an offering by us and that we have not participated in its preparation and have not supplied any financial information, projections, budgets, cost estimates, or similar information contained therein, all of which shall be your sole responsibility. Each recipient of information relating to the private placement must maintain it in confidence, and you shall be responsible for any disclosure.

8. TERMINATION OF AGREEMENT.

A. IMMEDIATE TERMINATION.

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

(i) you become insolvent by reason of your inability to pay your debts as they mature;

[liabilities;](#)

(ii) you become insolvent by reason of your assets being less than the value of your ~~liabilities;~~

(iii) you are adjudicated

(iv) you file a petition

b

Developer of any right or remedy hereunder shall preclude the exercise or enforcement by Franchisor or Area Developer of any other right or remedy hereunder which Franchisor or Area Developer is entitled to enforce by applicable law. Notwithstanding the foregoing, and except as otherwise prohibited or limited by applicable law, any failure, neglect, or delay of a party to assert any breach or violation of any legal or equitable right arising from or in connection with this Agreement shall constitute a waiver of this right and shall preclude the exercise or enforcement of any legal or equitable remedy arising therefrom, unless written notice specifying this breach or violation is provided to other party within 24 months after the later: (1) the date of this breach or violation; or ~~(2)~~

(2) the date of discovery of the facts (or the date the facts could have been discovered, using reasonable diligence) giving rise to this breach or violation.

D. INJUNCTIVE RELIEF.

We may obtain in any court of competent jurisdiction any injunctive relief, including temporary restraining orders and preliminary injunctions, against conduct or threatened conduct for which no adequate remedy at law may be available or which may cause us irreparable harm. We may have this injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and your sole remedy in the event of the entry of this injunction, shall be its dissolution, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived). You and each of your Owners acknowledge that any violation of Sections 6, 7.B(xi), or 9.B above would result in irreparable injury to us for which no adequate remedy at law may be available. Accordingly, you and each of your Owners consent to the issuance of an injunction prohibiting any conduct in violation of any of those Sections and agree that the existence of any claim you or any of your Owners may have against us, whether or not arising from this Agreement, shall not constitute a defense to the enforcement of any of those Sections.

E. ATTORNEYS' FEES.

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

F. GOVERNING LAW.

This Agreement shall be construed under the laws of the State of Utah, provided, however, that the foregoing shall not constitute a waiver of any of your rights under any applicable franchise law of another state. Otherwise, in the event of any conflict of law, Utah law will prevail, without regard to its conflict of law principles. However, if any provision of this Agreement would not be enforceable under Utah law, and if the Development Area is predominantly located outside of Utah and this provision would be enforceable under the laws of the state in which the Development Area is located, then this provision shall be construed under the laws of that state. Nothing in this Section 11.F is intended to subject this Agreement to any franchise or similar law, rule or regulation of the State of Utah or any other state or political subdivision to which it otherwise would not be subject.

G. SUCCESSORS AND ASSIGNS.

any of the Anti- Terrorism Laws and that you, your Owners, and your Affiliates are not otherwise in violation of any of the Anti-Terrorism Laws.

(ii) For the purposes of this Section 11.M, “**Anti-Terrorism Laws**” means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists and any other requirements of any Governmental Authority (including the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

(iii) You, your Owners and your Affiliates certify that none of you, your Owners and your Affiliates, your employees, or anyone associated with you is listed in the Annex to Executive Order 13225. You agree not to hire any individual who is listed in the Annex. (The Annex is available at:

<http://www.treasury.gov/offices/enforcement/ofac/sanctions/terrorism.html>).

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

(v) You, your Owners, and your Affiliates are solely responsible for ascertaining what actions must be taken by you to comply with the Anti-Terrorism Laws, and you specifically acknowledge and agree that your indemnification responsibilities set forth in Section 4.B of this Agreement pertain to your obligations under this Section 11.M.

(vi) Any misrepresentation by you under this Section 11.M or any violation of the Anti- Terrorism Laws by you, your Owners and your Affiliates, or your employees shall constitute grounds for immediate termination of this Agreement and any other Agreement you have entered with us or one of our Affiliates, in accordance with the terms of Section 8.A of this Agreement.

N. RECEIPT OF DISCLOSURE DOCUMENT AND AGREEMENT.

You acknowledge having received our Franchise Disclosure Document at least 14 calendar days before signing this Agreement. You also acknowledge having received this Agreement, with all blanks completed, at least seven calendar days before you signed it.

< Signatures on following page >

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

FRANCHISOR: _____ AREA DEVELOPER:

BAM Franchising, Inc., an Oregon corporation _____

By: _____

Print Name: _____

Title: President and CEO ~~AREA DEVELOPER:~~

_____ Print Name: _____

_____ [*Area Developer's Initials*]

4. For purposes hereof, no Bricks & Minifigs Businesses that are open and operating as of the date of this Agreement shall be counted for purposes of the Development Schedule. In addition, a Bricks & Minifigs Business that is permanently closed after having been opened, other than as result of non-compliance by you with the terms of the applicable Franchise agreement, shall be deemed open for a period of six months after the last day it was open for business, provided that: (i) during this period of time, you continuously and diligently take such actions as may be required to develop and open a substitute Bricks & Minifigs Business within the Development Area pursuant to a new Franchise Agreement therefore; and (ii) by the end of this period you have the substitute

Bricks & Minifigs Business open and operating in compliance with the Franchise Agreement therefore.

_____ [*Area Developer's Initials*]

5. The Development Fee, due upon execution of this Agreement and the first Franchise Agreement shall be ~~\$30,000~~ _____ (the “Development Fee”). ~~\$15,000 for the 1st location and \$7,500 for the 2nd and 3rd locations. The \$7,500 for the 2nd and 3rd locations shall be applied to the initial franchise fee of \$15,000 per location for the 2nd and 3rd locations.~~

_____ [*Area Developer's Initials*]

< Signatures on following page >

SCHEDULE D

~~SCHEDULE D~~

INVESTOR PERSONAL COVENANTS REGARDING CONFIDENTIALITY & NON-COMPETITION

In conjunction with your investment in [____],
[_____]

(“Area Developer”), you (“Investor” or “you”), acknowledge and agree as follows for the benefit of BAM Franchising, Inc., an Oregon corporation (“BAM Franchising” or “BAM”):

1. Area Developer owns and operates, or is developing, Bricks & Minifigs Businesses located or to be located in or about [] pursuant to an Area Development Agreement dated [] (“Area Development Agreement”) with BAM Franchising, which Area Development Agreement requires persons with legal or beneficial ownership interests in Area Developer under certain circumstances to be personally bound by the confidentiality and non-competition covenants contained in the Area Development Agreement. All capitalized terms contained herein shall have the same meaning set forth in the Area Development Agreement.
2. You own or intend to own the percentage legal or beneficial ownership interest in Area Developer, set forth beneath your signature below, and acknowledge as set forth below your signature and agree that your signing of this Agreement is a condition to such ownership interest and that you have received good and valuable consideration for signing this Agreement. BAM may enforce this Agreement directly against you and your Owners (as defined below).
3. If you are a corporation, partnership, limited liability company or other entity, all persons who have a legal or beneficial interest in you (“Owners”) must also sign this Agreement.
4. You and your Owners, if any, may gain access to parts of BAM Franchising’s Confidential Information (as defined in the Area Development Agreement) as a result of investing in Area Developer. The Confidential Information is proprietary and includes BAM Franchising’s trade secrets. You and your Owners hereby agree that while you and they have a legal or beneficial ownership interest in Area Developer and thereafter you and they: ~~(a)~~
(a) will not use the Confidential Information in any other business or capacity (this use being an unfair method of competition); (b) will maintain the confidentiality of the Confidential Information; and (c) will not make

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

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

The Franchise Agreement requires binding arbitration. The arbitration will occur in Utah with the costs being borne by the non-prevailing party. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

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

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

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

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

BAM's Uniform Resource Locator ("URL") address for locating its internet website is: <http://www.bricksandminifigs.com>. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at www.dfpi.ca.gov.

~~The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.~~

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement,

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

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

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

ILLINOIS

Illinois law governs the Franchise Agreement

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

~~Payment of Initial and Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.~~

Your rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

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

- (c) A provision that permits us to terminate a franchise before the expiration of its term except for good cause. Good cause shall include your failure to comply with any lawful provision of the Area Development Agreement and to cure this failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure this failure.
- (d) A provision that permits us to refuse to renew your franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to us and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: ~~(i)~~
(i) the term of the franchise is less than 5 years and (ii) you are prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or you do not receive at least 6 months advance notice of our intent not to renew the franchise.
- (e) A provision that permits us to refuse to renew an Area Development Agreement on terms generally available to other area developers of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude you from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits us to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent us from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) The failure of the proposed transferee to meet our then-current reasonable qualifications or standards.
 - (ii) The fact that the proposed transferee is a competitor of us or our subfranchisor.
 - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
 - (iv) You or your proposed transferee's failure to pay any sums owing to us or to cure any default in the Area Development Agreement existing at the time of the proposed transfer.
- (h) A provision that requires you to resell to us items that are not uniquely identified with us. This subdivision does not prohibit a provision that grants to us a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants us the right to acquire the assets of a franchise for the market or appraised value of these assets if you have breached

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

Provided that you are in compliance with the terms and conditions of the Area Development Agreement, we will comply with Minnesota Statutes Sec. 80C.12, Subd.1(g) which requires that the franchisor protect the area developer's right to use the trademarks, service marks, tradenames, logotypes or other commercial symbols

and/or indemnify the Area Developer from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

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

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

~~Per the requirement of the Minnesota Securities Registration Division, payment of the Initial Franchise Fee required under Item 5 and Item 7 of the FDD is hereby deferred until the Business is open.~~

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

NORTH DAKOTA

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

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

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

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

The undersigned ~~does~~parties do hereby acknowledge receipt of this ~~addendum~~Addendum. Dated this ____ day of ____ 20 ____.

FRANCHISOR	FRANCHISEE
------------	------------

~~THE WASHINGTON SECTION OF THIS ADDENDUM APPLIES ONLY TO AREA DEVELOPERS WHO ARE RESIDENTS OF WASHINGTON OR WHO LOCATE THEIR FRANCHISES IN WASHINGTON~~

Signature of Franchisor Representative Signature of Franchisee Representative

Title of Franchisor Representative Title of Franchisee Representative

Instructions for franchisors:

- This addendum should also be used as an addendum to any development agreement.
- The Division does not object to a franchisor using a single addendum that modifies multiple agreements and documents (i.e., an addendum titled: “Washington Addendum to the Franchise Disclosure Document, the Franchise Agreement, the Development Agreement, and All Related Agreements”).

WISCONSIN

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

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

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

< Signatures on following page >

EXHIBIT C
LIST OF FEDERAL, STATE AND CANADIAN FRANCHISE REGULATORS

EXHIBIT C
LIST OF FEDERAL, STATE AND CANADIAN FRANCHISE REGULATORS
EXHIBIT C

LIST OF FEDERAL, STATE AND CANADIAN FRANCHISE REGULATORS

LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

The following table reflects our Agents for Service of Process and the Relevant State Franchise Authorities. We may not be registered to offer and sell franchises in all of these states:

STATE	REGISTERED AGENTS	REGULATORY AUTHORITIES
CALIFORNIA Financial Department of Financial Protection and Innovation	California Commissioner of	protection and Innovation Commissioner of Financial Protection and Innovation

Los Angeles:

320 West 4 th Street, Suite 750 Los Angeles, CA 90013-2324 (213) 576-7205	<u>Commissioner of Financial Protection and Innovation</u> <u>Department of Financial Protection and Innovation</u> 320 West 4 th Street, Suite 750 Los Angeles, CA 90013-1105
--	--

Sacramento:
~~2101~~2102 Arena Blvd.
Sacramento, CA 95834
(916) 445-4233

San Diego:
1350 Front Street
San Diego, CA 92101-3697
(619) 525-4233

Toll-Free Number: 1-866-275-2677

CONNECTICUT Bricks & Minifigs® 2024 <u>2025</u> FDD - Exhibit C- 1 <u>1</u> UC_ 6672855.4 <u>7067047.10</u>	Connecticut Department of Banking
---	-----------------------------------

260 Constitution Plaza
Hartford, CT 06103
(860) 240-8233 or (860) 240-8232

Banking Commissioner
260 Constitution Plaza
Hartford, CT 06103
(860) 240-8233 or (860) 240-8232

FLORIDA [Not Applicable]
~~Department of Agriculture and Consumer Services~~
~~Mayo Building, Second Floor~~

~~Senior Consumer Complaint Analyst~~ [FDACS](#)

Division of Consumer Services

[Attn: Business Opportunities](#)
[P.O. Box 6700](#) Tallahassee,
~~Florida 32399-0800~~
[FL 32314-6700](#) (850)
922-2770

HAWAII	Commissioner of Securities of the Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813-2921 (808) 586-2722	Department of Commerce and Consumer Affairs
--------	---	---

~~Commissioner of Securities of the~~

~~335 Merchant Street, Room 203~~

~~Honolulu, HI 96813-2921~~

Business Registration Division Commissioner of Securities P.O. Box 40 Honolulu, Hawaii 96810 (808) 586-2722

ILLINOIS Franchise Division	Illinois Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	Chief, Franchise Bureau Illinois Attorney General 500 South Second Street Springfield, IL 62706 (312) 814-3892
------------------------------------	---	---

INDIANA	Secretary of State Administrative Offices of the Secretary of State 201 State House Indianapolis, IN 46204 (317) 232-6681	Securities Commissioner Securities Division Room E-111 302 West Washington Street Indianapolis, IN 46204 (317) 232-6681
---------	--	--

IOWA Iowa Securities Bureau 340 East Maple	[Not Applicable]	Director of Regulated Industries Unit Des Moines, Iowa 50319-0066 (515) 281-4441
--	------------------	---

MARYLAND
Commissioner

Maryland Securities

200 St. Paul Place
Baltimore, MD
21202-2020
(410) 576-6360

Office of the Attorney General

Division of Securities
200 St. Paul Place
Baltimore, MD 21202-2020
(410) 576-6360

MICHIGAN
of Commerce,

Michigan Department

Corporations and
Securities Bureau

525 W. Ottawa
670 Law Building
Lansing, MI 48913
(517) 373-7117—
~~Franchise~~
~~Administrator~~

~~Consumer Protection Division~~
~~Antitrust and Franchise Unit~~

Michigan Department of Attorney General

~~670 Law~~

~~Consumer Protection Franchise Section~~ 525 W. Ottawa Street

G. Mennen Williams Building
, 1st floor Lansing, MI ~~48913~~
48933 (517) 373-7117

SOUTH DAKOTA
~~Insurance~~Stat

~~Division~~Secretary of
Division of Securities
~~Regulation~~
124 South Euclid,
~~Suite 104~~
Pierre, SD 57501
(605) 773-3563

Secretary of State
Division of
~~Insurance~~

~~Securities Regulation~~
Securites 124 South Euclid, ~~Suite 104~~
Pierre, SD 57501

(605) 773-3563

TEXAS

[Not Applicable]

Secretary of State
Registrations
Unit

~~Statutory Document Section~~

P.O. Box ~~12887~~
13193 Austin, TX
~~78711~~
78711-3193 (512)
475-1769

UTAH
Registered Agent
2181 Combe Road

Ryan C. Combe

Ogden, Utah
84403

Division of Consumer
Protection
Utah Department of
Commerce
160 East 300 South
P.O. Box 45804
Salt Lake City, Utah
84145-0804
(801) 530-6601

VIRGINIA

Clerk of the State
Corporation Commission
1300 E. Main Street, ~~1st~~Ninth
Floor
Richmond, VA 23219
(804) 371-9733

State Corporation Commission
Division of Securities and Retail
Franchising
1300 E. Main Street, ~~1st~~Ninth Floor
Richmond, VA 23219

(804) 371-9051

WASHINGTON	Director of Department of Financial Institutions Securities Division 150 Israel Rd. SW Tumwater, WA 98501 (360) 902-8760	Washington Dept. of Financial Institutions Securities Division P.O. Box 41200 Olympia, WA 98504-1200 (360) 902-8760
------------	---	---

WISCONSIN	Wisconsin	WISCONSIN	Wisconsin	Fr
		Commissioner of Securities	P.O. Box 1768 345 <u>1768 345</u> W.	Se
			Washington Avenue,	W
			4 th Floor	34
			Madison, WI 53703	M
			(608) 261-9555	(6

EXHIBIT E
OPERATIONS MANUAL TABLE OF CONTENTS

EXHIBIT E

OPERATIONS MANUAL TABLE OF CONTENTS

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EXHIBIT F

LIST OF FRANCHISED OUTLETS AS OF DECEMBER 31, 2023

Alabama

Carl Powell 7914 Memorial Parkway SW Huntsville, Alabama

~~35802~~35802 256-337-0197

~~256-337-0197~~

Dwane Thomas 1056 Montgomery Hwy Vestavia Hills, Alabama 35216
205-582-2262

Arizona

Todd and Desiree Ayres 1721 N.

Dysart Rd. Suite 108 Avondale,

Arizona ~~85392~~85392 623-518-3113

~~623-518-3113~~

Rebecca and Jerry Burnett 6145 E

Broadway Blvd Tucson, Arizona ~~85711~~85711 520-372-7733

~~520-372-7733~~

Allen and Kat Blaz 1730 W. Happy Valley Rd. Ste #106 Phoenix, Arizona

~~85085~~85085 623-606-6705

~~623-606-6705~~

Walt and Cathy Chrisman 24 W

Camelback Rd. Ste G Phoenix,

Arizona ~~85013~~85013 602-675-1392

~~602-675-1392~~

Rachel

Mangum and

Theresa

Bartholomew

4024 E

Guadalupe

Rd. Ste #103

Gilbert, Arizona ~~85234~~85234 480-588-3953

~~480-588-3953~~

Brandon and Jennifer Mansfield 2988 N.

Alma School Rd., Suite 1 Chandler, Arizona ~~85224~~85224 480-588-3953

~~480-588-3953~~

Bricks & Minifigs®

~~2024~~ 2025 FDD - Exhibit F ~~22~~
UC_ ~~6672855-4~~ 7067047.10

~~Josh Ewald and Cassandra Savoy~~

Brendan Arnold and Anissa Messer 7440 W.
Cactus Rd., Suite A-6 Peoria, Arizona ~~85381~~ 85381 623-440-3269
~~623-440-3269~~

California

Chris Davis 9881 Carmel Mountain Road San Diego, California
~~92129~~ 92129 585-365-7040
~~585-365-7040~~

Van
Connors-Gaboudi
an and Hovig
Gaboudian 1919
W Magnolia
Blvd
Burbank, California 91506 (818) 679-5555

Raphael and Shauna Garcia 2502 S.
Euclid Ave., Suite A Ontario,
California ~~91762~~ 91762 909-391-8248
~~909-391-8248~~

Raphael and Shauna Garcia 530 Higgen Valley Pkwy STE 102 Corona,
California 92879 (951) 268-6193

Thomas and Rachel Harpham 60 Hartnell
Ave Redding, California 96002 (530) 255-8112

Jimmy and Helen Kim 25935
The Old Rd
Stevenson Ranch, California 91381 (661) 651-1612

Henry and Janet Leyvas 333 E 17th St
Costa Mesa, California 91381 (657) 315-0928

Nancy Randle and Gina Hendricks 1105 S.
Euclid, Suite B Fullerton, California ~~92832~~ 92832 657-378-9777
~~657-378-9777~~

Tim and Katherine Leuschner 15334
Whittier Blvd., 10C Whittier,
California ~~90603~~90603 562-905-6008
~~562-905-6008~~

Ryan and Carissa McDivett 1223
University Ave., #160 Riverside,
California ~~92507~~92507 951-899-4356
~~951-899-4356~~

Parney Milien 233 E State St STE H Redlands, California 92373 (909)
633-4180

Aimee and Kevin Paul 31795 Rancho California Rd., Ste 600 Temecula,
California ~~92591~~92591 951-331-2931
~~951-331-2931~~

Betty and Rob Poquez 350 S Lake
Ave STE 110 Pasadena, California 91101 (626) 755-6203

CJ and Deanna Rivette 2178
Vista Way STE E3 Oceanside,
California 92054 (623) 341-3617

Willia
m
“Bo”
and
Shanno
n
Schmid
t 863
Marsh
St.
San Luis Obispo, California ~~93401~~93401 805-439-3788
~~805-439-3788~~

TJ and Ashley Schmitt 28051
Greenfield Dr STE D
Laguna Niguel, California 92677 (615) 477-8536
Bob and Monica Schwaniger 2263 N Tustin
St.
Orange, California 92865 (714) 602-6140

Nikki Wallace and Matt Sabin 3737
Avocado Blvd

La Mesa, California 91941 (619) 884-0239

Ryan
Spaldin
g and
Yi
Yang-S
paldin
4840
Irvine
Blvd.,
Ste 205
Irvine, California ~~92620~~92620 949-379-0404

~~949-379-0404~~

~~Mike and Michelle Wu~~
~~2550 San Ramon Valley Blvd., Ste. G~~
~~San Ramon~~

Maria and Susy Torres 15625 Hawthorne Blvd Unit H-AB Lawndale,
California ~~94583~~90260 (310) 780-3668

~~925-217-4511~~

Miguel and Diala Zuniga 2244 Pacific Coast Hwy., #107 Lomita,
California ~~90717~~90717 424-263-4430

~~424-263-4430~~

Colorado

Roger and Cindy DeMoss 739 N.
Academy Blvd
Colorado Springs, Colorado 80909 (719) 698-2015

Donald and Cynthia Greenfield 3843 E. 120th Ave.
Thornton, Colorado ~~80233~~80233 720-598-6981

~~720-598-6981~~

Russel and Shelley Haman 8966 W.
Bowles Ave., Suite V Littleton,
Colorado ~~80123~~80123 720-484-5700

~~720-484-5700~~

Rick Snyder 449 N. Denver Ave. Loveland, Colorado ~~80538~~80538
970-888-3783

~~970-888-3783~~

Rick Snyder 1387 E. South Boulder Rd. Louisville, Colorado ~~80027~~80027
970-888-3783
~~970-888-3783~~

Caleb,
Rebecca,
Greg and
Sharon
Thorne
5730 N
Academy
Blvd
Colorado Springs, Colorado ~~80918~~80918 719-309-6196
~~719-309-6196~~

Robert Winchell 12201 E. Arapahoe Rd. Ste A4 Centennial, Colorado
80112 (720) 822-8584

Connecticut

David and Lindsey 1929 Black Rock Turnpike Fairfield, Connecticut
06825 (203) 275-8919

Florida

Jacob Goldberg and Melinda Rokoz 2775
Tyronne Blvd N., Suite C Saint Petersburg,
Florida 33710

Jennifer and Jonathan Martin 4047
Clark Rd., Unit 4001 Sarasota,
Florida, ~~34322~~34322 941-777-2241
~~941-777-2241~~

Nick Natalizio and Alex Rodriguez 8204
Crystal Clear Lane STE 300 Orlando, Florida 32809 (407) 203-3485
Doug Phares 2611 Seville Blvd STE 100 Clearwater, Florida 33764
(419) 503-1397 Veronica Raffone 1700
Tamiami Trail, Unit A-5 Port Charlotte,
Florida ~~33948~~33948 941-787-2311
~~941-787-2311~~
~~Gabriel and Soyhun Ribeiro~~

Channing and Lena Strong 16844
US 441

~~28210 Paseo Dr., #135~~
~~Wesley Chapel~~

~~813-994-7500~~ Mount Dora, Florida ~~33543~~ 32757 (352) 977-3095

Jackson and Roddy Wagner 4004 3rd
St S
Jacksonville Beach, Florida 32250 (904) 227-8141

Georgia

Chris and Heather
Loomis 9945
Jones Bridge Rd.
#205 John's
Creek, Georgia
~~30022~~ 30022
678-825-2976

Idaho

~~678-825-2976~~

Art and Gen Miner 3160 E 17th
St STE 150 Ammon, Idaho 83406 (208) 948-6118

Illinois

Bradley Banaszek 1085 S Roselle Rd Schaumburg, Illinois 60193 (303) 720-9774

~~618-650-8007~~ Madrigal Brown 4235 St. Route 159, Ste 2A Glen Carbon, Illinois, ~~62043~~ 62043 618-650-8007

~~630-506-5488~~ James Demer 204 E. Geneva Rd. Wheaton, Illinois ~~60187~~ 60187 630-506-5488

Todd and Julie Krater 212
Eastgate Ct Algonquin,
Illinois 60102 (815) 451-7723

Ryan Linsner 20647
Renwick Rd.
Crest Hill, Illinois ~~60403~~

~~630-442-8509~~ 60403 630-442-8509

Kansas

William VanAlstine and Scott H 5327
Johnson Dr.
Mission, Kansas ~~66205~~66205 913-624-9488

~~913-624-9488~~

James and Carol Lindner and Tracy Dewitt
3801 N Ridge Rd STE 180
Wichita, Kansas 67205 (316) 536-9872

Kentucky

~~Adam Blust~~

Tony Lopez 2800 Scottsville Rd, STE 3 Bowling Green, Kentucky 42104 (270) 495-1118

Brock Moore 1850 S Hurstbourne Pkwy Louisville, Kentucky ~~40220~~40220 502-709-4202
~~502-709-4202~~

Quentin Stephenson 1328
Bardstown Rd Louisville,
Kentucky 40204 (502) 912-9861

Heather and Elliot Sweat 2220
Nicholasville Rd Lexington,
Kentucky ~~40503~~40503 859-810-4313
~~859-810-4313~~

Louisiana

Luke and Andrea Fontenot 701 Metairie
Rd STE 208-210 Metairie, Louisiana 70005 (225) 485-8623

Michigan

Evan and Salima Borin 731
Brookside Drive
~~Sansing~~ Lansing,
Michigan ~~48917~~48917 517-580-3406
~~517-580-3406~~

Evan and Salima Borin 5204
Jackson Rd
Ann Arbor, Michigan 48103 231-392-2940

Jody Lesinski 15254
Canal Road
Clinton Township, Michigan ~~48038~~ 48038 586-580-3180

~~586-580-3180~~

Julia and Nathen Petersen 2927
Breton Road SE
Grand Rapids, Michigan ~~49512~~ 49512 616-719-1973

~~616-719-1973~~

Kevin and Cara Suksi 49881
Grand River Ave Wixom, Michigan 48393 (248) 716-5145

Adam and Allison Weiner 1926
Whites Rd.
Kalamazoo, Michigan ~~49008~~ 49008 269-350-5690

~~269-350-5690~~

Minnesota

Jennica and Ryan Dean 12909
Ridgedale Dr.
Minnetonka, Minnesota 55305

Reed Lewis 11351 Aquila Dr N Champlin, Minnesota 55316 (763) 218-8132

Steven and Katie Ryan 7587 148th
St W

Apple Valley, Minnesota 55124 (651) 271-0647

Rob and Mindy Warland 1692
Lexington Ave N Roseville,
Minnesota 55113 (612) 703-6889

Rob and Mindy Warland 221 28th
St SE, STE 800 Rochester, MN 55904 (507) 218-2117

Missouri

Phillip and Tiffany Vice 1570 E.
Battlefield, Ste E. Springfield,
Missouri ~~65804~~ 65804 417-771-5255

~~417-771-5255~~

Matthew and Zuri Walenty 20
Crossroads Plaza O'fallon,
Missouri ~~63368~~ 63368 636-339-2100

~~636-339-2100~~

Nebraska

Brian and Annette Seely 2449
South 132nd Street Omaha,
Nebraska ~~68144~~ 68144 402-884-6323

~~402-884-6323~~

Nevada

Edgar Garcia and Xin Gan 4985 S. Fort Apache Rd., Ste 103 Las Vegas, Nevada ~~89148~~ 89148 702-661-9199

~~702-661-9199~~

New Jersey

Scott and Rebecca Warren 450 S.
Lenola Rd.
Maple Shade, New Jersey ~~08052~~ 08052 856-581-0708

~~856-581-0708~~

New Mexico

Rick Crouse 6001 San Mateo Boulevard, N.E. Albuquerque, New Mexico ~~87109~~ 87109 505-369-1574

~~505-369-1574~~

New York

Rachel Joffe 709 Montauk Hwy.
West Babylon, New York ~~11704~~ 11704 631-320-2717

~~631-320-2717~~

North Carolina

Steve and Trisha Brewer 8320
Litchford Rd STE 136
Raleigh, North Carolina 27615 (919) 594-1853

Paul and Barbara Eagle 3434
Kildaire Farm Rd Cary, North
Carolina 27518 (919) 605-6655

Demetrius and Anne Grandel 3823
Guess Rd
Durham, North Carolina 27705 (919) 294-6349

Travis and Chelsea Parker 6431 Old
Monroe Rd., Ste C
Indian Trail, North Carolina ~~28110~~ 28110 704-774-1174

~~704-774-1174~~

Pranav Harish and Harish Sadsivan 206
Fayetteville St
Raleigh, North Carolina (919) 424-7161

Robert and Heidi Tessitore 9709
Sam Furr Rd STE C
Huntersville, North Carolina 28078 (980) 925-5095

Ohio

Keith Baggs 3436 Heritage Club Dr Hilliard, Ohio 43026 (614) 654-8199

Vikram and Priya Reddy 3320
Tylersville Rd., Ste. F-G Hamilton,
Ohio ~~45011~~ 45011 513-737-3447

~~513-737-3447~~

Matthew and Lindsey Reeves 3970
Powell Rd Powell, Ohio 43065 (740) 707-3261

Shanyn Stewart 4204 W Sylvania Ave Toledo, Ohio 43623 (567) 440-6633

Oklahoma

Justin and Candi Fritz 9118 S. Western Ave., Ste E Oklahoma City, Oklahoma ~~73139~~ 73139
405-735-7356

~~405-735-7356~~

Oregon

Brian Aljian 780 Blair Boulevard Eugene, Oregon ~~97402~~ 97402 541-225-4981

~~541-225-4981~~

Nathaniel Funk 3040 NE Sandy Blvd Portland, Oregon ~~97232~~97232 503-908-32639
~~503-908-32639~~

Neil and Lidia Jones 711
Stewart Ave.
Medford, Oregon ~~97501~~97501 541-414-1717
~~541-414-1717~~

~~Chrystal Law and Benjamin Gorman~~
~~3670 River Rd. N.~~
~~Keizer, Oregon 98272~~

Dan and Shelby Kornish 250 SW 1st
Ave Canby, Oregon 97013 (503) 263-3337
~~503-390-1830~~

Marc and Natasha Perrault 540 NW
Eastman Pkwy. Gresham, Oregon ~~97030~~97030 503-328-8848
~~503-328-8848~~

Lynnette Scott 3205 SW Cedar Hills Blvd., Suite 44 Beaverton, Oregon, ~~97005~~97005 503-644-5701
~~503-644-5701~~

Rhode Island

Byron and Connie Willeford 1000 Bald
Hill Rd., Ste 5 Warwick, Rhode Island ~~02886~~02886 401-320-8390
~~401-320-8390~~

South Carolina

Nick Behringer 1280 Eighteen Mile Rd Central, South Carolina 29630 (864) 986-1705

Rebecca and Kyle Kapp 1054 E.
Butler Rd., Ste C
Greenville, South Carolina ~~29607~~29607 864-214-1566
~~864-214-1566~~

Jamie Volkmar and John Volkmar 99 Westedge
St., #1700 Charleston, South Carolina ~~29403~~29403 843-872-1868 Jonathan Young 4628 Factory Stores
Blvd
~~843-872-1868~~
Myrtle Beach, South Carolina 29579 (843) 236-3069

South Dakota

Jennica and Ryan Dean 2804 W. 41st
St.
Sioux Falls, South Dakota ~~57105~~57105 605-274-7447

~~605-274-7447~~

Tennessee

Jake Faust and Brad and Kristen Faust
91 Seaboard Dr., Ste 108
Brentwood, Tennessee ~~37027~~37027 615-873-4328

~~615-873-4328~~

Bradley and Talana Patterson 4650
Merchants Park Circle Collierville,
Tennessee ~~38017~~38017 901-207-3007

~~901-207-3007~~

Michael Teuton and Jonathan Powell and Jake McKay
2553 Lifestyle Way
Chattanooga, Tennessee 37421 (423) 602-7425

Texas

Michael Alsdorf and “Shane” Ankur Laoria
13611 Skinner Rd
Cypress, Texas 77429 (832) 653-7235

Michael and Meghan Bingham 5407 S
Braeswood Blvd Houston, Texas 77096 (713) 485-6376

Christina Escobedo and Maybin Simfukwe
8004 Indiana Ave.
Lubbock, Texas ~~79423~~79423 806-407-5534

~~806-407-5534~~

Chris and Rena Foreman 1827 SW Green Oaks Blvd., Ste 119 Arlington, Texas ~~76017~~76017
682-323-4188

~~682-323-4188~~

Gary and Holly Friedman 14010 N Hwy 183, Suite 525 Austin, Texas ~~78717~~78717 512-520-8019

~~512-520-8019~~

Alfredo Gomez 5347 W. Loop 1604 N., #137 San Antonio, Texas ~~78253~~78253 210-437-2985

~~210-437-2985~~

Kevin Gaines 510 South Mason Rd Katy, Texas 77450 (706) 984-2132

Alfredo Gomez 21850 Bulverde Rd Ste 102 San Antonio, Texas ~~78259~~78259 210-437-2985
~~210-437-2985~~

Alfredo Gomez 5347 W. Loop 1604 N., #137 San Antonio, Texas 78253 210-437-2985

Abe and Jessica Hughes 385
Sawdust Rd, STE A Spring,
Texas 77380 (346) 771-5346

Thomas and Dana Keene 28765 I-10
W., #101 Boerne, Texas ~~78006~~78006 830-755-6164
~~830-755-6164~~

Andrea Klima 7224 Independence Pkwy, Suite 332 Plano, Texas 75025
972-618-2343

Kason and Tamara Menges 2406 Texas
Ave., Ste A College Station, Texas 77840 979-575-7500

Juan Carlos and Teri Martin 6363
Dallas Pkwy, STE 108 Frisco, Texas 75034 (469) 200-5027

Kason and Tamara Menges 2406 Texas
Ave., Ste A, College Station, Texas ~~77840~~77840 979-575-7500
~~979-575-7500~~

Blake and Jennifer Mitchell 7850 W.
Grand Pkwy S., Ste 800 Richmond, Texas ~~77406~~77406 281-762-0583
~~281-762-0583~~

Devon Shows Broadway Street, Suite 710 Pearland, Texas ~~77581~~77581 281-741-0279
~~281-741-0279~~

Tammy Silvas 2101 Harwood Rd., Ste 124 Bedford, Texas ~~76201~~76201 682-503-6191
~~682-503-6191~~

Thomas and Sarah Smith 6600
Montana Ave., Ste E El Paso,
Texas ~~79925~~79925 915-306-3232
~~915-306-3232~~

Scott and Jennifer Stewart 5201 S. Broadway Ave., Ste 134 Tyler texas ~~75703~~75703 903-747-8049
~~903-747-8049~~

Tommy and Becky White 5207
Brodie Ln
Sunset Valley, Texas 78745 (512) 774-3774

Utah

Cory and Danielle Anderson 1086 W South Jordan Parkway, Suite 105 South Jordan, Utah ~~84095~~ 84095
385-645-5346

~~385-645-5346~~

Cory and Danielle Anderson 755 E 3300 S
Salt Lake City, Utah ~~84106~~ 84106 385-429-0166

~~385-429-0166~~

~~Jason~~

Joshua and Kristen ~~Messer~~ Brereton 5644 S
Redwood Rd #72 Taylorsville, Utah 84123 (801) 413-9078

Braden and Tess Forsey 4074
Riverdale Rd Ogden, Utah 84405 (801) 388-5028

Brandon and Jennifer Nielsen 555 W. 100
N., Providence, Utah ~~84331~~ 84331 435-932-6155

~~435-932-6155~~

Virginia

Jake and Allison Crawley 9841
Patriot Hwy, Fredericksburg, VA 22407 (540) 370-7098

Nick and Heather Gerow 2050 Bond
St., Unity 110 Charlottesville,
Virginia ~~22901~~ 22901 434-956-4108

~~434-956-4108~~

Paul and Carrie Indelicato 10953
West Broad St.
Glen Allen, Virginia ~~23060~~ 23060 804-308-3119

~~804-308-3119~~

Paul and Carrie Indelicato 12421
Tennessee Plaza Midlothian,
Virginia 23112 (804) 874-1601

Jayesh and Priya Lawani 1064
Elden St Herndon, Virginia 20170 (571) 217-3957

Christian and Lara Luik 7395 E
Route 29
Falls Church, Virginia 22042 (571) 207-5528

Adam and Katherine Watson 14519
Potomac Mills Rd, Woodbridge,
Virginia 22192 (571) 207-6777

Washington

Alex and Natalie Caetano 2410
Harrison Ave. NW, 101, Olympia,
Washington 98502 (360) 539-7044

Tony and Stacie Capelli 1203-N SE Everett Mall Way Everett, Washington 98208 (425) 512-9780

Edward Highfield 1490 NW Gilman Blvd 3 Issaquah, Washington 98027 (917) 331-3411

Robbie Hildebrand 147 Easy
Way #106, Wenatchee,
Washington 98801 (509) 888-4846

Steve and Sharon Jensen 14650 N
Kelsey St. Suite 102 Monroe,
Washington ~~98272~~98272 360-243-3068

~~360-243-3068~~

Kevin Wanner 8700 NE Vancouver Mall Dr., #236 Vancouver, Washington ~~98662~~98662 360-723-5032

~~360-723-5032~~

Wisconsin

Wade and Kimberly Bosworth 8681 N Port
Washington Rd Fox Point, Wisconsin 53217 (414) 628-4294

Chris and Tammy Eyerly 7300
Green Bay Rd.
Kenosha, Wisconsin ~~53142~~53142 262-764-0048

~~262-764-0048~~

Dan Jacobsohn 3000 Cahill Main St., Suite 114 Fitchburg, Wisconsin ~~53711~~53711 608-286-1302

~~608-286-1302~~

Joseph and Sarah Schmidt 1350 W.
American Dr.
Neenah, Wisconsin ~~54956~~54956 920-502-0008

~~920-502-0008~~

Jessica and Seth Vandaleest 2838 W
Rawson Ave Franklin, Wisconsin 53132 (414) 808-2263

**List of Franchisees Who Had Signed Franchise
Agreements but Not Yet
Opened as of December
31, 2023**

Arizona

~~Rachel Mangum and Theresa Bartholomew~~Michael and Maria Barker

Cynthi

a

Ghelfi

and

Patrick

Scardel

lo Chip

and

Nati

Lemon

s

Theod

ore Roberts

and Ingrid

Roberts

California

~~Vanagan Connors Gaboudian and Hovig Gaboudian~~

~~Rafael and Shauna Garcia~~

Heather Danley

Kristin

a

Harkop

and

Narine

Harkop

Kevin

Lee

~~Thomas and Rachel Harpham~~

~~James Kim~~

~~Henry and Janet Leyvas~~

~~Robert and Betty Poquez~~

~~Clarence and Deanna Rivette~~

~~Timothy and Ashley Schmitt~~

~~Robert and Monica Schwaniger~~

Victor Solis

~~Mario and Suzy Torres~~

~~Nikki Wallace and Matthew Sabin~~ Colorado

Chris and Cari Lee Gillespie Jon and Patricia McGuire Jason and Monica

Sloan Rick Snyder

Jason Weber and Robert Jackson Conneticut

David and Lindsey Orr

Florida

~~James Olk~~

Chris Gabbard

David and Glenna
Jacola

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~~Channing and Lena Strong~~

[Herminio Rodriguez Georgia](#)

[Michael and Nadine Bruce Ezekiel](#)

[Robles](#)

~~Idaho~~

~~Art and Genevieve Miner~~

~~Bradley Banaszek~~

~~Iowa~~

~~Jordan and Allison Hartog~~

Illinois

[Marko and Lydia](#)

[Petrovic Ninos](#)

[Yacoub](#)

Indiana

[Christopher Till](#)

~~James and Carol~~

~~Linder and Tracy~~

~~Dewitt~~

~~Kentucky~~

~~Quentin Stephenson~~

Louisiana

~~Luke Fontenot~~

[Anthony Mahlmeister Maryland](#)

Kansas

[Brian and Christy
Springman](#)

[Jackson and Jeni
Rainforth](#)

Nick Lopez

Michigan

~~Kevin and Cara Suksi~~

Minnesota

Rachel Fales

Rick and Jennifer Jackson

Stephen and ~~Katie~~ Ben Kopp Rebecca

Moore

Andres Palomino and Fernanda Pineda

Minnesota

Greta Alms

Matt Loew and Jenn Dalley Jenn and

Ryan Dean Blake Lemcke

~~Robert and Mindy Warland~~ Reed and Eric Lewis Missouri

Courtney Frazon

Richard Leaf Kevin and

Tammy Thorn

Montana

Brad and Lib Martinich North Carolina

~~Steve and Trisha Brewer~~

Barbara Cannon

~~Paul and Barbara Eagle~~ Nathan and Rosanna Galbreath

~~Travis and Chelsea Parker~~

John Sellers Nevada

Edgar Carcia and Xin Gan New Hampshire

~~Demetrius and Anne Grandel~~

Thomas Flynn New Jersey

Christopher South New York

Gregory and Elain Funch John

Vogt

Ohio

~~Keith Baggs~~

Ohio

Jay and Kelly

Brail Ryan Clark

Matthew ~~&~~and Lindsey Reeves Pennsylvania
~~Mike & Katie Ullring~~

Teddi and Robyn Bougon John

Santore

Elliot Cramer South

Carolina

David and Tara Hipp

Texa

~~Michael Alsdorf, Ankur Laoria, and James Lugert~~

~~Michael and Meghan Bingham~~

Texas

Utah

Douglas and
Angela Egbert
Jason and Lindsey
Gauci

~~Kevin Gaines~~
~~Abe and Jessica Hughes~~
~~Jenna Lambert~~
~~Juan Carlos Martin and Esther Rafael~~
~~Thomas and~~
~~Rebecca~~
~~White~~Robert and
Amy Piasecki
Steven and Janet
Rust Kevin and
Utah
~~Cory and Daniella Anderson~~

Candice Cardon
David and Angela
Moore Monti and
Tanya Stasey
Bernard Gray Tom
and Colene Mixon

Zac and Michelle

Zac and Michelle
Erekson

~~Joshua and Kristen Brereton~~
~~Braden and Tess Forsey~~

Virginia
~~Jacob and Allison Crawley~~
~~Paul and Carrie Indelicato~~
~~Jayesh Lawani~~
~~Laura and Christian Luik~~
Clint Rhine

Adam ~~and Katherine Watson~~Martinez Washington
~~Alex and Natalie Caetano~~
~~Anthony and Stacie Capelli~~
~~Edward Highfield~~

~~Robert Hildebrand~~

Matthew Morningstar

Chris and Julie Sorensen Wisconsin

~~Wade and Kimberly Bosworth~~

~~Christopher and Alexandra Hoeppner~~

~~Jessica and Seth Vandaleest~~

Chase Schanning Ryan

Rabe

**Outlets Owned and Operated by Corporate and/or One
or More of Our
Officers as of December
31, 2023**

California

Mike and Michelle Wu 2550 San Ramon Valley Blvd., Ste. G, San
Ramon, California 94583 925-217-4511
(Owned and operated by an entity in which our CTO is an owner)

Connecticut

Zach Giles 1173
Queen St.
Southington, Connecticut ~~06489~~06489 860-385-1007
~~860-385-1007~~
(Operated by an entity owned by BAM Franchising Inc.)

Florida

Zach Giles 1918 Oak Grove Blvd, Lutz, FL 33559 813-994-7500
(Operated by an entity owned by BAM Franchising Inc.)

Idaho

Reed Brimhall 10150 W. Fairview Ave.
Boise, Idaho ~~83704~~83704 208-377-4386
~~208-377-4386~~
(Owned and operated by an entity in which our CFO is an owner)

Montana

Jacob Blackburn 1911 Kings Highway West, Suite 9 Billings, Montana
~~59102~~59102 406-969-2931
~~406-969-2931~~
(Operated by an entity owned by BAM Franchising Inc.)

Oregon

~~Michael Kornish~~
~~250 SW 1st Ave.~~
~~Canby, Oregon 97013~~
Zach Giles 3670 River Road N Keizer, OR 97303 503-390-1830
~~503-263-3337~~
(Operated by an entity owned by BAM Franchising, Inc.)

Utah

~~Matthew, Karen, Ammon, and Nicole McNeff~~

~~801-874-2362~~ Zach Giles 658 S. State St. Orem, UT ~~84058~~ 84058 801-874-2362

~~(During 2018, Ammon and Matthew McNeff, two of the owners of the entity that operates this outlet, became officers of~~ Operated by an entity owned by
BAM Franchising, Inc.)

~~EXHIBIT G~~

EXHIBIT G

FRANCHISEES WHO LEFT THE
SYSTEM

DURING OUR LAST FISCAL YEAR AS OF DECEMBER 31, 2022

Transferred to New Owner:

Brian & Corrie Aljian

~~Chris Donnell~~

~~San Antonio, Texas~~

Eugene, Oregon 541-225-4981

~~210-994-8100~~

~~Adam Blust~~

~~Louisville, Kentucky~~

Jason Messer

Logan, Utah 435-932-6155

~~502-709-4202~~

Mutual Termination:

~~Kevin Woods~~

~~Billings, Montana~~

Jenna

Lambert

Denton, Texas (972) 948-5082

~~406-969-2931~~

Jason Messer

Pleasant Hill, California 925-825-1954

Jason Messer Manteca,

California 209-624-3462

Termination:

~~Christina Cooper, David Thornton and Leah Brown~~

~~Canby~~ gabriel Ribeiro Wesley Chapel, Florida 813-994-7500

Joshua Ewald Peoria, Arizona (480) 973-0612

Chrystal Law and Ben Goreman

Salem, Oregon

~~503-263-3337~~

~~Scott and Heather Zachary~~

~~Grapevine, Texas~~

~~817-952-7002~~

503-390-1830

Ceased Operations ~~—~~ Other Reasons:

None

THE FOLLOWING INTERIM FINANCIALS, DATED MARCH 31, ~~2024~~2025, ARE UNAUDITED AND, THEREFORE, HAVE NOT BEEN EXAMINED AND VERIFIED BY AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT.

~~THESE~~THE INTERIM FINANCIAL STATEMENTS HAVE BEEN PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THEIR CONTENT OR FORM.

EXHIBIT I

FORM OF GENERAL RELEASE

This General Release Agreement ("**Agreement**") is made this day of ,
20 .

It is ~~and~~ BAM Franchising, Inc. ("**Franchisor**"), and

_____ (jointly and severally “**Franchisee**”) [and _____]

_____ (jointly and severally “**Transferee**”).] [jointly and severally “**New Entity**”).]

RECITALS

On or about the ___ day of _____, 20___, Franchisor and Franchisee entered into a Bricks and Minifigs Franchise Agreement and related attachments and exhibits (collectively the “**Franchise Agreement[s]**”) for the operation of a Bricks and Minifigs franchise at the following location: _____.

[NOTE: Describe the circumstances relating to the release, such as circumstances related to transfer, renewal, or relocation of the franchise, or adding a new entity, and relevant agreement dates.]

Now, therefore, in consideration of the mutual covenants set forth below, the parties agree as follows:

[1. Renewal of Franchise Agreement. The parties covenant and agree:

A. The Franchise Agreement, including all appurtenant addenda, certificates, exhibits, options, and obligations of the parties is terminated. The provisions of the Franchise Agreement concerning your obligations upon termination and renewal will continue in full force and effect. The parties agree that this Agreement fully and completely expresses the present understanding between the parties.

B. Contemporaneously with execution of this Agreement, you agree to execute our current franchise agreement forms. These forms may vary materially from the Franchise Agreement. Fees will be set at the currently prevailing rates and terms. The Accepted Location must remain at the location designated in the Franchise Agreement unless we otherwise approve in writing.

C. You will reimburse us for the following reasonable out-of-pocket costs we incur concerning the renewal: _____.

D. You will refurbish, remodel, and replace the Accepted Location, fixtures, and equipment to conform to the current Operations Manual and Method of Operation. This includes:

The Franchise Agreement requires franchisee to execute a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order there under is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000- 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 - 20043).

The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et. seq.)

The franchise agreement requires binding arbitration. The arbitration will occur in Utah County, Utah with the costs being borne by the non-prevailing party. 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 128, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside of California.

No-poaching provisions in contracts are against California public policy. Therefore, we will not enforce the no-poaching provision in California.

OUR URL IS: www.BricksandMinifigs.com OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov

Despite any provision in the Franchise Agreement to the contrary, the current maximum rate of interest in California is 10% per year.

~~The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.~~

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

State Cover Page Risk Factors: WE DO NOT HAVE A FEDERAL REGISTRATION FOR OUR "BRICKS & MINIFIGS" STANDARD CHARACTER MARK. THEREFORE, OUR TRADEMARK DOES NOT HAVE AS MANY LEGAL BENEFITS AND RIGHTS AS A

Bricks & Minifigs®

2024 2025 FDD Exhibit J 22
UC_6672855-47067047.10

~~Payment of Initial and Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.~~

Your rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

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

MARYLAND

The Disclosure Document (Item 17) and Franchise Agreement are amended to include that any provision which provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

Pursuant to COMAR 02.02.08.16L, the general release required as a condition of renewal, relocation, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law. Item 17 of the Disclosure Document and Sections 7.2, 22.1 and ~~22.2~~ 22.2 to the Franchise Agreement are amended to the extent required by Maryland law.

Provisions in the Disclosure Document (Item 17) and Franchise Agreement requiring franchisee to file any lawsuit in a court in the State of Utah may not be enforceable under the Maryland Franchise Registration and Disclosure Law. Franchisees may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. The Disclosure Document (Item 17) and Franchise Agreement are amended accordingly, to the extent required by Maryland law.

Any provisions in the Disclosure Document (including Items 5, 11, 17 and 22) and Franchise Agreement requiring Franchisee to assent to any release, estoppel or waiver of liability as a condition of purchasing a franchise shall not apply under the Maryland Franchise Registration and Disclosure Law and are amended to the extent required by Maryland law.

The following provisions do not apply in the State of Maryland:

In Item 1:

“You should investigate whether there are any state or local regulations or requirements that may apply in the geographic area in which you intend to conduct business. You should consider both their effect on your business and the cost of compliance. It is your sole

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Minnesota Rule 2860.4400D prohibits the franchisor from requiring a franchisee to assent to a general release. The Disclosure Document and Franchise Agreement are modified accordingly, and to the extent required by law.

Pursuant to Minn. Stat. Sec. 80C.12, Subdivision 1(g), to the extent required by this Minnesota law, the Franchise Agreement and Item 13 of the Disclosure Document are amended to state that the franchisor will protect your right to use the primary trademark, service mark, trade name, logotype or other commercial symbol or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Franchisor's primary trade name.

We will comply with Minnesota Statute 80C.14 subdivisions 3, 4, and 5, which require except in certain specific cases, that a Franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement.

~~Per the requirement of the Minnesota Securities Registration Division, payment of the Initial Franchise Fee required under Item 5 and Item 7 of the FDD is hereby deferred until the Business is open.~~

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

NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

Franchisee under the Franchise Agreement or other documents and the Franchisee has commenced doing business pursuant to the Franchise Agreement.

~~North Dakota has imposed a financial condition under which the initial franchise fees due will be deferred until the franchisor has fulfilled its initial pre-opening obligations under the Franchise Agreement and the franchise is open for business.~~

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

RHODE ISLAND

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

SOUTH DAKOTA

Termination provisions covering breach of the Franchise Agreement, failure to meet performance and quality standards and failure to make royalty payments contained in the Disclosure Document or Franchise Agreement must give a franchisee thirty (30) days’ written notice with an opportunity to cure the default prior to termination.

Post-termination covenants not to compete may be unenforceable under South Dakota law. Sections of the Disclosure Document and Franchise Agreement containing post-termination covenants not to compete are amended to the extent required by South Dakota law.

Sections of the Disclosure Document and Franchise Agreement requiring mediation or arbitration of disputes to be held in Utah County, Utah may not be enforceable and are amended accordingly to the extent required by South Dakota franchise law.

Sections of the Disclosure Document and Franchise Agreement requiring jurisdiction or venue in Utah County, Utah may not be enforceable and are amended accordingly to the extent required by South Dakota law.

Any provisions contained in the Disclosure Document and the Franchise Agreement that provide that the parties’ waive their right to claim punitive, exemplary, incidental, indirect, or consequential damages or any provisions that provide that the parties’ waive their right to a jury

trial, may not be enforceable and are amended to the extent required by South Dakota franchise law.

The governing law or choice of law clauses described in the Disclosure Document and contained in the Franchise Agreement granting authority to a state other than South Dakota may not be enforceable and are amended accordingly to the extent required by South Dakota franchise law.

VIRGINIA

~~The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the development fee owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the development agreement.~~

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

WASHINGTON

~~Section 1.B and Schedule 1 of the Franchise Agreement do not apply in the State of Washington.~~

~~Section 1.B of the Area Development Agreement does not apply in the State of Washington.~~

Exhibit D to The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document ~~does not apply, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein.~~ This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the ~~State~~ purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a ~~conflict~~ conflict of laws, the provisions of the Washington Franchise Investment Protection Act, ~~Chapter~~ chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement ~~in or related agreements concerning~~ your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions ~~which may that~~ supersede the franchise agreement ~~in or related agreements concerning~~ your relationship with the franchisor. Franchise agreement provisions, including the areas of termination and renewal of your franchise those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

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

4. **General Release.** A release or waiver of rights ~~executed by a franchisee may not include rights~~ in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any ~~rule~~rules or ~~order~~orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions ~~such as those which~~ contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations

period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. **Transfer Fees.** Transfer fees are collectable only to the extent that they ~~reflect~~reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the

agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for ~~inflation~~inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for ~~inflation~~inflation). As a result, any ~~provisions~~provision contained in the franchise agreement or elsewhere that ~~conflict~~conflicts with these limitations ~~are~~is void and unenforceable in Washington.

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

~~The State of Washington has imposed a financial condition under which the initial franchise fees due will be deferred until the franchisor has fulfilled its initial pre-opening obligations under the Franchise Agreement and the franchise is open for business. Because the Franchisor has material pre-opening obligations with respect to each franchised business the Franchisee opens under the Area Development Agreement, the State of Washington will require that the franchise fees be released proportionally with respect to each franchised business.~~

Questionnaires and Acknowledgments. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the

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inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

16. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

17. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

The undersigned parties do hereby acknowledge receipt of this Addendum. Dated this day of 20 .

Signature of Franchisor Representative Signature of Franchisee Representative

Title of Franchisor Representative Title of Franchisee Representative

Instructions for franchisors:

- **This addendum should also be used as an addendum to any development agreement.**
- **The Division does not object to a franchisor using a single addendum that modifies multiple agreements and documents (i.e., an addendum titled: “Washington Addendum to the Franchise Disclosure Document, the Franchise Agreement, the Development Agreement, and All Related Agreements”).**

WISCONSIN

With respect to franchise agreements governed by Wisconsin law, the following shall supersede any inconsistent provision:

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State Effective Dates

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

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	Pending
Wisconsin	

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

BAM FRANCHISING, INC

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Mail to BAM Franchising, Inc., 4844 North 300 West, Suite 202, Provo, Utah 84604, or email scanned copy to Franchise@BricksandMinifigs.com, or fax to (888) 801-6454.

FRANCHISOR COPY

RECEIPT

BAM FRANCHISING, INC

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully. If BAM FRANCHISING, INC. 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 and Rhode Island law require delivery at the earlier of the first personal meeting or at least 10 business days, and Michigan and Wisconsin law require delivery at least 10 business days, before signing/paying.)

If BAM FRANCHISING, INC. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency as identified on Exhibit B.

BAM FRANCHISING, INC.'s franchise sellers are Ammon McNeff, Matthew McNeff, Matthew Thomas, Reed Brimhall, Carson Bird, Darin Hicks, Ashley Wells, Josh Johnson, Kiou Amini, Ernesto Olaza, and David Ortiz, 4844 North 300 West, Suite 202, Provo, Utah 84604, (888) 534-6776.

Issuance Date: March 31, ~~2024~~2025 (and effective as of the individual state registration dates reflected on the cover page).

BAM FRANCHISING, INC., authorizes the respective state agencies identified on Exhibit B to receive service of process for it in the particular state.

I have received a Bricks & Minifigs® disclosure document dated as indicated above that included the following Exhibits:

- | | |
|---|---|
| A. Franchise Agreement with attached Schedules | E. Operations Manual Table of Contents |
| B. Area Development Agreement with attached schedules | F. List of Franchisees |
| C. List of State Agencies and Regulators | G. Franchisees Who Have Left the System |
| D. Disclosure Acknowledgement and Agreement | H. Financial Statements |
| | I. Form of General Release |
| | J. State Addenda |
| | K. State Effective Dates & Receipt |

DATED this day of , 20 .

Signatures of All Prospective Franchisees:

Signature:

Signature: _____

Print Name:

Document comparison by Workshare Compare on Friday, April 18, 2025 12:24:15 PM

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Description	#6672855v4<slcdms.djplaw.com> - BAM Franchising - 2024 FDD - as of 10.3.24 (with CA, MD, MN, NY and WA revisions)
Document 2 ID	iManage://slcdm01.djp.djplaw.com/WORKSITESLC/7778348/3
Description	#7778348v3<slcdm01.djp.djplaw.com> - THE 2025 BAM FDD - CLEAN FINAL
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